

Broader Middle East and North Africa BMENA



Under Secretary Alan Larson and Faryar Shirzad, Deputy Assistant to the President for International Economic Affairs and Deputy National Security Advisor, brief on "Forum for the Future." (State Dept)



Forum for the Future

Rabat

December 10-11, 2004

*Partnership for
Progress and a
Common Future with
the Region of the
Broader Middle East
and North Africa*

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Forum for the Future to Study Economic, Political, Social Reforms

Forum to include countries from G8, broader Middle East, North Africa

Following is a fact sheet outlining the origins and initiatives of the Forum for the Future to be convened in Rabat, Morocco, December 11:

U.S. DEPARTMENT OF STATE
December 2004

FACT SHEET FORUM FOR THE FUTURE

Rabat Meeting

The Forum for the Future is a cooperative effort by the states of the Broader Middle East and North Africa (BMENA) region, the Group of Eight (G-8) industrialized nations, and other partners. These partners seek to promote and develop political, economic, and social reform in the region. Forum members are united around a common agenda that advances the universal values of human dignity, democracy, economic opportunity, and social justice. The Forum also serves as a venue for regional businesses and civil society groups to express their goals and ideas for reforms to their governments.

The first Forum for the Future will convene December 11, 2004 in Rabat, Morocco. Foreign and Finance Ministers will discuss how the G-8 and other partners can support regional ideas for political, economic, and educational reform. Presentations will be made by the Forum's parallel Civil Society and Business Dialogue groups, which are made up of private citizens from the region.

The open exchange of ideas and wide representation of diverse views will ensure that efforts respond effectively to the concerns of people in the region.

Forum Participants

Morocco, as Forum host, has invited:

BMENA region: Afghanistan, Algeria, Arab League, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Oman, Pakistan, Palestinian Authority, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen

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G-8: Canada, European Commission, France, Germany, Italy, Japan, Russia, United Kingdom and United States.

Partners: Netherlands, Turkey

Organizations: Asian Development Bank, International Finance Corporation, International Monetary Fund, World Bank,

Initiatives

Forum participants will move forward in several specific reform areas the region has identified as essential for strengthening political participation, democracy, education and economic prosperity:

International Finance: To support the region's efforts to improve the business climate and to increase financing options for "small and medium-sized enterprises," Ministers of Finance will examine progress of the International Finance Corporation's the Private Enterprise Partnership for the Middle East and North Africa. They will discuss targets for activities and impact, as well as funding for this regional technical assistance fund.

Entrepreneurship: To help expand employment opportunity and capacity, especially to youth, Ministers of Finance will announce establishment of entrepreneurship training centers in Morocco and Bahrain that will be operational by early 2005.

Democracy Assistance Dialogue (DAD): The Democracy Assistance Dialogue will bring together willing governments, civil society groups and other organizations to improve and expand programs and projects that support the region's own efforts on democratization and public participation. These groups will help to evaluate existing democracy programs, strengthen democratic institutions (such as parliaments, judiciary systems and the press), promote the role of women and highlight the links between democracy and economic prosperity. The DAD will hold the first joint meeting of governments and civil society organizations in 2005.

Microfinance: The Consultative Group to Assist the Poor (CGAP) has established a microfinance consultative group, whose members include donors, practitioners and government officials. The first meeting will take place in December 2004. Ministers will also review CGAP's work with Jordan to establish a technical hub and training center by April 2005, and with Yemen on developing appropriate microfinance projects.

Literacy: G-8 and BMENA Ministers will establish a working group of regional experts to improve education and literacy, especially for girls and women, in accordance with the literacy goals established by the region, and will announce Jordan's plan to host an education ministerial meeting in 2005 to discuss broader education issues.

Investment: The Forum for the Future will launch the BMENA Investment Task Force, a private-sector, CEO-led group that will focus on increasing investment in the region to spur economic growth and create jobs. Working closely with the Middle East and North Africa Investment and Governance Initiative of the Organization for Economic Cooperation and Development, the Task Force will review impediments to investment and make concrete recommendations for reform.

Forum Origins

The Forum for the Future was created in response to calls for political, economic and social reform emanating from the BMENA region over the past few years. These include the Declaration of the Arab League Summit in Tunis, statements issued at the Alexandria Library Summit, and in Sana'a as well as the declaration of the Arab Business Council.

The Forum was the centerpiece initiative of the "Partnership for Progress and a Common Future with the Region of the Broader Middle East and North Africa" agreed to by seven countries from the BMENA region and the leaders of the G-8 at Sea Island, Georgia in June 2004. More than twenty G-8 and BMENA Foreign and Finance Ministers, as well as representatives from civil society and business groups, held preparatory meetings for the Forum in New York on September 23-24, and on October 1 in Washington, DC.

Larson-Shirzad Briefing on Forum for the Future Meeting

Forum for the Future Meeting in Morocco, December 11, 2004

Alan Larson, Under Secretary of State for Economic, Business and Agricultural Affairs; Faryar Shirzad, Deputy Assistant to the President for International Economic Affairs and Deputy National Security Advisor

Foreign Press Center Briefing Washington, DC November 10, 2004

2:00 P.M. EDT

MR. DENIG: Good afternoon, ladies and gentlemen, and welcome to the Washington Foreign Press Center. We are pleased this afternoon to be able to present a briefing to you on an important development, the upcoming Forum for the Future meeting in Morocco, which will take place December 11th, which is part of an ongoing process to assist the development of the Middle East.

And we're very pleased today to welcome as our briefers, Under Secretary of State for Economics, Business and Agricultural Affairs, Alan Larson, and Mr. Faryar Shirzad, the Senior Director for International Economic Affairs at the National Security Council.

Each one of these gentlemen will have a brief opening statement, and after that, will be glad to take your questions.

Mr. Shirzad.

MR. SHIRZAD: Thank you for the introduction and the opportunity to brief all of you. As Paul mentioned, yesterday, the Kingdom of Morocco formally announced its intention to host the first ever Forum for the Future. The event will be held in Rabat on December 11th. The United States, in its capacity as the president of the G-8, has been asked to serve as a co-chair of this event and we're pleased to accept that responsibility and to serve as the co-chair on that date.

As the Moroccans announced, the Forum for the Future brings together regional and G-8 foreign, economic, and other ministers, as well as civil society and business representatives, for an ongoing dialogue on reforms to promote democracy, rule of law, human rights and open market economy reforms.

The event is designed to build on and add momentum to a number of developments that have occurred over the last year, and is designed to respond to the momentum for reform that has emerged from the Broader Middle East region. And these include efforts that have been made by the Arab League, and efforts in May in Tunis in the form of statements by civil society and business leaders and other representatives of governments and the region in Alexandria at the Dead Sea, Sana'a, Istanbul and elsewhere.

The event is also building on the Partnership for Progress and a Common Future that was launched at the Sea Island G-8 Summit, hosted by the United States this year. This event marks a beginning, and, for the

United States, the cornerstone of our effort to try to work with governments in the region and with civil society and business leaders to promote economic reform, political reform and efforts to broaden prosperity in the region.

Thank you.

MR. DENIG: Secretary Larson.

UNDER SECRETARY LARSON: Good afternoon. In preparation for the December meeting launching the Forum of the Future, Secretary Powell and Moroccan Foreign Minister Benaissa held a meeting on the 24th of September in New York that was attended by 25 ministers of the Broader Middle East region and of the G-8. It was an extraordinarily productive session that really helped to launch the idea of holding this meeting. And the decision was taken there that Morocco would be the host of the first meeting of the Forum of the Future. About ten days later, Moroccan Finance Minister Oualalou and Secretary of the Treasury Snow held a similar meeting here in Washington on the margins of the World Bank and IMF meetings that deepened some of the cooperation on the financial issues that are to form a major part of the agenda at the meeting in Morocco on the 11th.

That agenda is really about working together to create greater opportunities for the next generation in the Broader Middle East. Some of the specific ideas that are going to be discussed will be ideas to have a microfinance initiative that would make loans to small entrepreneurs. There is a proposal that is gaining steam for a regional facility of the International Finance Corporation that could make loans to small businesses. And finance ministers will also be discussing a creative idea for a network of funds that could bring together some of the regional financial institutions to exchange views about how to bring more capital into the region.

A similar but different idea is a proposal for a task force on investment that would bring the business community in support of governments as they try to address the issues of their business climates and investment climates that have a bearing on the flows of investment.

There's a very creative initiative that really originated from the region for having centers for entrepreneurship and business education that could help young people develop business skills so that they can be successful business leaders. There is a literacy initiative that is focused on the region's goals for achieving universal literacy.

And finally, there is the Democracy Assistance Dialogue that is being led by Yemen and Turkey, a partner of this entire exercise, and the Government of Italy. The important thing to emphasize, and it's really my last point, is that each of these initiatives have champions, and they have strong supporters from within the region who are leading in the development of these initiatives and whose work and whose preparation will really lay the foundations for the discussions that would be held in Morocco on the 11th of December.

I think with those introductory comments, Mr. Shirzad and I would be happy to try to answer any questions you have.

MR. DENIG: Okay. We'd ask, as usual, that you use the microphone, introduce yourself and your news organization. Let's start with Italy there, on the right.

QUESTION: Giampiero Gramaglia, Italian News Agency, ANSA.

I need some clarification. To what level is the conference in Morocco, if the presidents of this initiative for progress is rotating presidents, or if Morocco and the United States will serve as president after the end of the year, and if the Palestinians will be represented at the conference, at what level? And then I have a question, but those three clarifications, also.

UNDER SECRETARY LARSON: Well, it is a ministerial-level conference, and our expectation is that both the Secretary of State and Secretary of Treasury will attend for the United States. The Palestinians are invited, but we don't know the level of representation of every invitee at this stage.

And Morocco and the United States are hosting this meeting, but the decision about where the next meeting might be held is one that will be made in the future.

But there is no sense that this is a permanent responsibility. I think the responsibility will, in fact, rotate.

MR. DENIG: Okay. Follow-up question?

QUESTION: The question now. Do you expect that the events going on in Iraq, and as far as the Middle East is concerned with Mr. Arafat, will in some way influence the conference, or you consider this process apart from the main events in the area?

UNDER SECRETARY LARSON: You know, Foreign Minister Benaissa and Secretary Powell were asked a somewhat similar question under different circumstances in September and I think what they both said was, everyone involved with this process understands that pressing ahead for Middle East peace and completing the transformation of Iraq into a democratic and prosperous society are important tasks that will go on.

This is a separate issue. And this is about finding a way to support the aspirations within this region to build a better future for their own people. And I think the countries of the region understand that no one has a stronger stake in that effort than do they. And that's why this work is going ahead with a great deal of enthusiasm.

MR. DENIG: All right, let's go to Egypt, on the right here.

QUESTION: My name is Khaled Dawoud. I'm from Egypt's Al-Ahram newspaper.

I would just like any of you to elaborate a little bit on the Democracy Assistance Dialogue, what it exactly will include, what countries, I mean, what ideas you have in mind?

And just to follow up on my Italian colleague question it's concerning, okay, maybe the next

conference will be held in another country other than Morocco, but will the United States always co-chair those meetings?

Thank you, sir.

MR. SHIRZAD: On the Democracy Assistance Dialogue, that's an effort that's been led by Yemen, Turkey and Italy; and it's something that they have been working on since the concept was launched at the Sea Island Summit. They intend to actually have a ministerial meeting of their own in late November, at which they will refine their agenda on that element of the broader agenda that came out of the Sea Island process.

Ultimately, what the Democracy Assistance Dialogue is supposed to do is bring together governmental leaders and other organizations to share ideas and undertake efforts towards democratization in the region, and the exact architecture of it is being developed among those three countries.

UNDER SECRETARY LARSON: On your other question, if it were to be decided in the future that it's a useful structure to have a partnership between a country in the region and a country of the G-8, the logical thing would be for that G-8 responsibility to go to the rotating president of the G-8. Next year the United Kingdom will take over the presidency. None of this has been decided, but within the G-8 itself leadership rotates among the countries.

MR. DENIG: Okay. Let's come up front to Germany please.

QUESTION: Michael Backfisch, Germany's business daily, Handelsblatt.

Secretary, microfinance initiative, literacy initiative are well-known formulas. How, since the G-8 Summit in Sea Island past June, how was the response so far in G-8 countries, especially among critics of the Iraqi war, like Germany and France? Is there more money on the table right now? And secondly, how do you think the whole initiative, the Broader Middle East Initiative, will go in the post-Arafat era?

UNDER SECRETARY LARSON: My reading is that the work that has gone on this fall has been very encouraging. We felt, and I think our G-8 collaborators, including those in Germany, felt that the meeting in New York was really quite successful. Foreign Minister Fischer attended it. I understand from contacts with my German counterparts as recently as today that Germany remains very, very interested in this and is looking forward to the meeting in Rabat. I think that on details of German financial contributions you should address those to the German Government.

QUESTION: So there is no more capital on the table?

UNDER SECRETARY LARSON: I'm saying it's up to them to speak about how much capital they're putting on the table.

QUESTION: What about American capital on the table?

UNDER SECRETARY LARSON: Well, we've made a significant contribution already to the new IFC facility. The IFC facility was designed to raise a total of \$100 million. Some of that is coming from the IFC

itself, a portion of it. The United States is pledging, over two years, approximately \$15 million of increased assistance. And we are working with other donors from within the G-8 and from the region to achieve that goal of \$100 million by the time of the forum.

MR. DENIG: I'm sorry. The IFC stands for?

UNDER SECRETARY LARSON: Yeah. The International Finance Corporation.

MR. DENIG: Okay, first row here.

QUESTION: Thank you. Ron Baygents, Kuwait News Agency.

Just for the record, would you name the seven countries it says on here? "There will be leaders of seven countries that will be attending."

MR. SHIRZAD: I think you may be referring to the countries that attended the Sea Island Summit.

QUESTION: Okay, the question is -- that's the question. Who will actually be attending? Could you name, as far as who you know at this point, will be in attendance?

MR. SHIRZAD: Well, we don't have the exact invitations, the actual attendees determined yet. The Moroccans have now issued their invitation and they are waiting to hear back in terms of who will attend. The seven that you're referring to are the ones that attended this G-8 Summit in Sea Island.

QUESTION: Okay. My apologies. Can you go into the invitees?

MR. SHIRZAD: We can get you a specific list, but if you look at those who attended both Secretary Powell's meeting in New York on the margins of the General Assembly, and then Secretary Snow's meeting the week after with his finance ministry counterparts, we had attendance from the foreign and finance ministers from all the G-8 countries as well as most of the Broader Middle East. I forget the exact number.

UNDER SECRETARY LARSON: One way to look at it is, it includes countries from Morocco to Pakistan. And I think we had 25 participants at New York, and we expect a larger number in Morocco.

MR. SHIRZAD: 25 ministerial participants, you know, at the ministerial level.

QUESTION: And G-8 as well?

MR. SHIRZAD: That's right.

QUESTION: And then one other quick question is, is the Democracy Assistance Dialogue seen as the only, or primary vehicle for political reform in the region as far as these talks and discussions?

MR. SHIRZAD: Well, there are several pieces to it. One piece is there's this civil society dialogue that we've developed, which is an effort to create, essentially, a dialogue, or an ongoing discussion between civil society leaders and governments. And we launched that; it was a part of the Sea Island Declaration and it was a part of what we did in New York where we had a group of civil society leaders who attended, then ultimately issued a report and made a presentation to the foreign ministers at the meeting which Secretary Powell and Minister Benaissa chaired on the margins of the General Assembly. And the Moroccans' intent, as we understand it, is to host another one of these civil society dialogue meetings and then to, as a part of their agenda for the ministerial meeting, the plenary session that occurs on the 11th, is to have the civil society participants similarly report. That will be another element of the ongoing dialogue.

More broadly, though, what the whole forum is designed to do is to bring governmental leaders, in this instance, the foreign ministers, together to talk about the issues of democracy, political reform, to share experiences, share ideas, very much on building on initiatives coming out of the region and for countries who try to support each other in the efforts that they are undertaking on their own. This isn't an effort to impose anything from the outside, as much as it is to facilitate efforts that are already being undertaken within the region.

UNDER SECRETARY LARSON: If I could just underscore that very important last point that Mr. Shirzad made.

As work on this began in earnest, one of the things that became clear was that the region and some of the G-8 countries already are engaged in lots of activities in the area that might be described broadly as participation in governance. For example, we were able to catalogue examples of working with the region. The fact that many countries in the region are cooperating with many G-8 countries on parliamentary exchanges. Many countries from the region are cooperating with G-8 countries on projects related to the rule of law. There is a lot of cooperation between the region and the various G-8 countries on the training for an independent and professional judiciary and -- perhaps most importantly of all for those of you in the room -- working with the media on establishing training programs for a free and professional and independent press.

So those are things that are going on already at the instigation of the region. And as Mr. Shirzad was stressing, this is opening an avenue of cooperation, more generally, as countries in the region see opportunity and see that they would like to deepen cooperation in some other area. So it's just an opening up of possibilities rather than a fixed menu.

MR. DENIG: Okay. Let's go to Japan over there please.

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MR. DENIG: Okay. Let's go to Japan over there please.

QUESTION: Yes, Tsutomu Ishiai, Asahi Shimbun.

I have a question regarding the mechanism or procedure on how to expand participants in the future; for example, Libya or Syria or Iran, they are invited in New York, I understand. But if they wish to participate, what kind of procedure would be necessary, and what kind of mechanism they plan to take? Thank you.

MR. SHIRZAD: Well, the concept of the Forum for the Future was a design to have an open architecture. And so ultimately, the purpose of it is to keep an open process and allow for participation as appropriate, depending on the nature of the discussion that's taking place. We did not invite those countries to our session here in New York. Our understanding is that the Moroccans have, in fact, invited all three of those governments. In their capacity as the host of the event, they have decided to extend an invitation to them. So we understand that they have been invited, and that decision was theirs to make.

MR. DENIG: All right. Let's go to the gentlemen in the back on the right here, in the red tie. Sir, do you have a question?

QUESTION: I'm Michel Ghandour, Al Hurra Television.

Is -- will, Israel will be invited to this forum?

UNDER SECRETARY LARSON: It's our understanding that the Moroccans have not extended an invitation to Israel at this time. The basic answer, though, to questions like that, is the one that Mr. Shirzad gave, that, as going forward, we see this as an open architecture and we certainly see the possibility that discussions, and particularly in the area of economic cooperation and trade, would reach their full potential

only if countries like Israel were involved. But it's our understanding there is not an invitation that's been extended to Israeli ministers at this point.

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MR. DENIG: Okay, the lady right here.

QUESTION: Leila Benradja from Algeria News Agency.

How do you see the role of Algeria in these initiatives, especially in North Africa and Mahgreb region? Thank you.

UNDER SECRETARY LARSON: Could you repeat the first part of your question? How do we see the -

QUESTION: How do you see the role of Algeria in these initiatives, especially in the North Africa and Mahgreb regions?

UNDER SECRETARY LARSON: Well, one thing that was very interesting about the role of Algeria is that Algeria was one of the seven countries whose leader came to the Sea Island Summit. And in some of the discussions that took place early in this process, Algeria was a country that said that they had an

experience of working with the G-8 that gave them a great deal of self confidence that this was a process that could be owned by and led by the region, because Algeria is a partner with the G-8, as part of the G-8 partnership with Africa. And it has had experience over several years of working in that context.

And so we found that when there were some general discussions that involved a number of other countries from the region and G-8 countries and the United States, the Algerians were among those that said, "Look, this is something that we should be embracing. We have no need to be afraid of this because we know how to cooperate with the G-8 and hold our own. We've been doing it for three years in the context of Africa's cooperation with the G-8."

Algeria also is one of the volunteers for helping to lead work. They're helping to lead some of the discussions on literacy. And we would anticipate that they would be able to play an important role in the Rabat meeting on that subject as well as on others.

MR. DENIG: Okay. Let's go to the Middle East here, please.

QUESTION: Aziz Fahmi, Middle East Broadcasting Center, MBC.

There has been a kind of not clear explanation about what is the footprint of the Broader Middle East? It was said before Savannah Summit that it will be announced in Savannah. We went to Savannah, and then it was not announced.

And now we have -- we heard that it is really up to any country to be included or not included. It's the country themselves of the region that will determine whether they want to be part of the initiative or not. So I just want to understand, is this a sort of reaction to something happening in the region that no footprint was announced? Is that a setback?

UNDER SECRETARY LARSON: No. The answer that we have always given has been the answer that Mr. Shirzad gave. We've always seen this as an open architecture. We've always felt that little was to be gained by drawing lines and saying, "These countries and regions are in, and these regions and countries are out." And one reason we've done that is, we gave the example of APEC, which started out with roughly nine participants, and it's grown to something closer to 21 now as additional countries have seen the benefits of participating and have chosen to get involved. And so we're quite comfortable with this concept of open architecture, and we don't see any need in the past or in the present to draw circles that include some and exclude others.

QUESTION: May I have a follow-up, please? Thank you.

But in general terms, is it fair to say that this would include northern Africa nation, Middle Eastern nation, and maybe a couple of nations -- most of nations in the east? In general terms?

UNDER SECRETARY LARSON: Well, in general terms, the countries that are now participating and invited to participate in the meeting in Morocco extend from Morocco to Pakistan. And what the future brings is something I think we just leave to the future.

MR. DENIG: Okay. Let's go to Turkey, please.

QUESTION: Reha Atasagan with Turkish Public Television. Almost left in their wake, later, the start of the Moroccan meeting, Turkey is expecting -- will be receiving an answer from Brussels, yes, most probably. What will be the impact, then, on the Democracy Assistance Dialogue where Turkey is one of the three? What kind of an impact would -- do you expect a more positive impact?

MR. SHIRZAD: In terms of any decision made by the European Union? That would really have to be, probably, a question you would direct to the European Union.

But Turkey's involvement in this process is important. They're a partner country in this exercise, and they have have worked with us well in trying to be a partner in the process, especially on the Democracy Assistance Dialogue more broadly, but in terms of what impact that has in their relations with the European Union. I don't think Mr. Larson or I probably could speak to that with any authority.

QUESTION: No, I mean, when Turkey starts negotiating with the EU, then it will be at, for -- on Turkey's part, it will continue the process of reforms, but in accordance with the EU, you know. It will be EU then. So what impact would it make on the Democracy Assistance Dialogue where Turkey is a part of it?

MR. SHIRZAD: I think your question raises a good point, which is the whole Forum for the Future process -- this Democracy Assistance Dialogue or any other element of it --isn't intended to impose a single style or single formula of reform on any front, on the economic front or political front or anything of the sort. This is simply supposed to be a mechanism that facilitates efforts that countries want to take on their own, at their own speed, to deal with the issues of reform. And so whatever Turkey ultimately decides it wants to do in the context of its closer linkages with the European Union, that's something they'll have to decide on their own, and I don't think it will be constrained or affected in any way by their work in the Democracy Assistance Dialogue.

UNDER SECRETARY LARSON: You know, if I could, just from looking at this at a slightly different perspective, give a reinforcing answer. When Mr. Shirzad said that we see Turkey as a partner country, what it means in part is that Turkey is not typically seen as part of the Middle East, or for that matter, the Broader Middle East. It's a European country, and it's a country, as you point out, that hopes to be negotiating accession towards the European Union soon.

It's role as a partner country in this exercise is so valuable because it's had such a rich experience of having a practicing democracy, a strengthening in economy and a tolerant society. And in that sense, it has a lot to teach all of us.

And that experience has been very valuable as Turkey has worked with Yemen, a country of the Middle East, and Italy, a country that is a member of the European Union. Italy is deeply involved in the Democracy Assistance Dialogue right now as a member of the European Union, so I don't see anything in Turkey's status that, as a possible candidate for accession to the European Union, that would make it difficult to play this role. It perhaps gives it some added benefit in playing the role as a participant in this Democracy Assistance Dialogue.

MR. DENIG: Okay, let's go to Radio Sawa, please.

QUESTION: Samir Nader with Radio Sawa.

Mr. Secretary, you said there is -- no second meeting is planned. But I remember Secretary Powell in New York said there's a meeting in Egypt in the spring. And another question is, did any of the Arab governments you invited to the New York meeting in September boycott that meeting? UNDER SECRETARY LARSON: What I meant to suggest is that a choice of a venue for a second meeting has not been made. But there is a clear commitment for the Forum to be an ongoing process, and there is strong expectation that there will be a second meeting of the Forum in 2005. In fact, there's an avid competition among countries of the Broader Middle East to be the host of that next meeting. So it will take place. The question is simply when and where.

As you also rightly pointed out, there is a related but different meeting that the Government of Egypt is proposing to host that would involve the G-8 and Arab countries. And that's designed to really zero in on some of the Arab-specific issues that Egypt and other countries would like to bring to the fore. As you know, there's been something called the Arab Human Development Report that has put a spotlight on certain of these issues. And so we look forward to participating in that meeting as well.

QUESTION: And my second question, any of the Arab governments you invited to the New York meeting, any of them boycotted that meeting?

UNDER SECRETARY LARSON: Well, I don't think any of them boycotted the meeting. We had very broad participation, and the Foreign Minister of Egypt was there, representatives of Saudi Arabia were there, and there were countries all throughout the region that were there.

There may have been one or two countries that simply couldn't come because their ministers weren't available for the meeting at that time. But I think the real message of the New York meeting, to be very honest, was that the attendance was so broad and so high-level -- Secretary Snow's meeting was similarly very successful -- that we expect that this first, full meeting of the Forum of the Future in Morocco is going to be more successful, still.

So, the basic message here is, to be honest, there were some apprehensions and some questions about this earlier on. But I think those are behind us. And I think that the countries of the region understand that this is something that is truly collaborative, where our role is designed to be reinforcing of their leadership and their efforts to promote opportunity and reform from within the region. And therefore, the participation has been very, very strong this autumn.

MR. SHIRZAD: I think I'd just reinforce that point. I think the New York and Washington meetings were very helpful in that regard. There was a little bit of uncertainty people had regarding what, exactly, this whole initiative was about, what form it would take, what the tone would be among those who were participating. And we had very broad, very high-level attendance and involvement in both, in New York and the Washington meetings.

But more importantly, everybody who was in attendance and who chose to speak was very positive. The tone among the participants was very good. Secretary Powell in his meeting, and Secretary Snow in his meeting, as well as Minister Benaissa and Minister Oualalou, were very clear to say that this was a partnership undertaken in an effort to encourage and to provide a helping hand where necessary to efforts that countries were taking on on their own. And I think that message was very well received. I mean, obviously, you'll have to talk to the participating countries, but there was no tone of negativity at all. It came out very well. It was a very positive event.

MR. DENIG: Okay, final question in the middle here.

QUESTION: Tim Kennedy, Arab News, Saudi Arabia.

You had mentioned the regional facility for the IFC. Is that to -- what country is that to be located in? And what's the value of having a regional presence of the IFC versus it being based here in Washington?

UNDER SECRETARY LARSON: Well, I said a regional facility. I didn't mean to suggest a regional location. In other words, the key concept behind a regional IFC facility is that you would have a dedicated pool of money with a staff that is zeroing in like a laser on the opportunities and challenges of promoting small business lending in this region. And one of the things that I think is paramount in having this IFC program work effectively is accompanying the money with the types of technical assistance that will help small businesses truly to develop.

Most of the work that I've seen on small business financing suggests that one of the things that both small businesses and institutions that lend to small businesses need is the sort of training and expertise that can help them to have access to the best practices, the most successful practices around the world. And this is really what the IFC regional facility is about. So it has a regional focus, a regional motive but it isn't going to be divorced from the International Finance Corporation here in Washington.

MR. DENIG: Thank you very much, Mr. Shirzad, Secretary Larson.

Thank you, ladies and gentlemen.

U.S. Welcomes Morocco's Bid to Host Forum for the Future

Forum to focus on economic, political reform in Mideast, North Africa

The United States welcomed Morocco's November 9 announcement that it will host the inaugural meeting of the Forum for the Future in Rabat December 11.

The Forum for the Future is an initiative conceived at the G8's Sea Island Summit, designed to foster closer cooperation between the G8 nations -- Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States -- and the countries of the broader Middle East and North Africa.

The Forum will bring together government, business and social leaders from each of the countries to discuss programs aimed at creating greater freedom, democracy and prosperity in the Middle East and North Africa region.

Following is the text of the State Department's statement:

U.S. DEPARTMENT OF STATE
Office of the Spokesman
November 9, 2004

STATEMENT BY ADAM ERELI, DEPUTY SPOKESMAN

US Welcomes Announcement of First 'Forum for the Future' in Rabat, Morocco

Today, the Kingdom of Morocco announced that it will hold the inaugural meeting of the "Forum for the Future" in Rabat, on December 11, 2004. The Forum for the Future is the centerpiece of the "Partnership for Progress and a Common Future with the Region of the Broader Middle East and North Africa" (BMENA), launched by President Bush and the leaders of the G-8, along with leaders of seven countries from the region, at the G-8 Sea Island Summit of 2004. The government of the United States welcomes the Moroccan government's announcement of the first Forum for the Future, and looks forward to co-chairing this meeting of the Forum and participating in future Forums.

The announcement by the Kingdom of Morocco can be found at www.maec.gov.ma/future.

Powell Hosts Iftar for Guests from Across the Muslim World

Secretary speaks of U.S. efforts to be hospitable, helpful



Secretary Powell welcomes Muslim students, professionals, clerics and diplomats from across the Muslim world to the Sixth Annual State Department Iftar Dinner Nov. 4, 2004. (State Dept - Janine Sides)

Secretary of State Colin Powell welcomed Muslim students, professionals, clerics and diplomats from across the Muslim world to an Iftar celebration at the State Department November 4. He said that America strives to embrace Ramadan's spirit of hospitality and concern for others.

"As the Iftar welcomes all in a spirit of brotherhood, so

America has been open to all, welcoming to all -- as we can see in the diverse and thriving Muslim community in America today," Powell told his guests.

The secretary noted that new security measures have inconvenienced many people wishing to travel to the United States but said, "I want to assure all of you here this evening and all who may watch this or hear these words that we're doing everything we can to make sure that we strike the right balance between our security and our openness."

Powell spoke of the United States' many efforts to play a positive and helpful role in the Muslim world. He mentioned the U.S. military's engagement to protect and assist Muslim populations in Africa, the Balkans and the Middle East and to remove tyrannical regimes in Afghanistan and Iraq.

He also recalled President Bush's support for an independent state of Palestine and reaffirmed the president's commitment to work toward peace in the Middle East.

The secretary spoke of U.S. efforts to support and encourage people within the Muslim world who are working to realize greater freedom and democracy. "We believe that reform will ultimately be successful because freedom and democracy are powerful universal values, not just Western or American values," he said.

He mentioned several programs related to the Group of Eight's (G8's) newly established Forum for the Future and the State Department's Middle East Partnership Initiative, which open academic and professional training opportunities to people from numerous Muslim countries. The G8 includes Canada, France, Germany, Italy, Japan, the United Kingdom, the United States, and Russia.

"Many unkind, and untrue, things are said about the United States in the Muslim world by some people. But I think the facts speak for themselves," Powell said. "The truth is that America wishes all people well."

He added, "America will be with those in need around the world, regardless of race or religion."

Following is the transcript of Powell's remarks:

U.S. DEPARTMENT OF STATE
Office of the Spokesman
November 4, 2004

REMARKS

Secretary of State Colin L. Powell
At The 6th Annual State Department Iftar Dinner

November 4, 2004
Benjamin Franklin Room
Washington, D.C.

(6:20 p.m. EST)

SECRETARY POWELL: Ramadan Kareem, ladies and gentlemen. I wish you a warm welcome to the State Department and to our annual State Department Iftar celebration.

We gather here this evening at a special moment, just a very short time after our presidential election. And I've been discussing with my young friends here at the table how our election went and what it was like on Election Day as we watched the ups and downs of the polls and the results come in. And those of you who aren't familiar with our election system and process, it must look very confused, looking from the outside in.

But you saw American democracy in action in the best possible way. You saw the clash of ideas. You saw the clash of personalities. You saw attacks and counterattacks. You saw defensive moves and offensive moves. It almost sounds like a military battle. (Laughter.) And in some sense, that's what it was.

What was its purpose? Its purpose was to persuade the people in one direction or another, to show the American people what the two candidates stood for. And this is a process that we have been through 55 times since we started this, without interruption, since 1788.

And all of this noise that you hear, the press arguing and the commentators going on and criticizing everything that takes place on all of the television channels and in the print, and when you watch this noise, it might be troublesome, make you wonder what this is all about.

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And all of this noise that you hear, the press arguing and the commentators going on and criticizing everything that takes place on all of the television channels and in the print, and when you watch this noise, it might be troublesome, make you wonder what this is all about.

But the noise has a very simple name. The noise is called democracy. A democratic system where there is supposed to be noise, where there is supposed to be the clash of ideas and personalities, where the two candidates are doing it for one single purpose, not just to gain an office, but to find out what the American people want; to draw from them their hopes and dreams; to gain from the American people inspiration as to how they wish to be led.

And as we saw this unfold on Tuesday and then waited through the night for the results that came on Wednesday morning, there was a lot of discussion, a lot of debate. But then on Wednesday morning, Senator Kerry made his announcement of his concession, in a very dignified, gracious way, speaking about the nation and speaking about coming together again as a nation. And then you heard President Bush yesterday afternoon urging everyone, welcoming Senator Kerry's remarks and welcoming everyone to join the cause of coming together again.

We air our differences openly. Everyone states their case as best they can, both the presidential candidates and all the candidates for legislative office. Our great Executive and Legislative Branches get back to work, the Supreme Court watches it all, and we have an aggressive media that keeps us all in check.

And the reason I love talking about this and watching this unfold is because it reinforces my belief in the democratic system. And these rooms you are in are called the Diplomatic Rooms of the Department of State. This particular room is named after Ben Franklin, the next room over Thomas Jefferson, and then there's another one for John Adams and there's one for Madison and Monroe, all of our founding fathers.

And when I see our system handle an election every couple of years, and I see the noise and confusion, and then I see the results as the American people come back together again, I sometimes wander up to this room and look around and think those gentleman are still somewhere up there looking down with admiration and kind of laughing: That's the way we intended it; it's still working after all these years.

I am so pleased that all of you were here during this period, where you can witness it and perhaps help explain it to those of your fellow citizens when you go back home.

We have a wonderful group here this evening. It's a terrific group, a very diverse group. We have Muslims from Morocco to Indonesia and everywhere in between; we have high schoolers, we have elders; Fulbright scholars and businessmen, doctors, lawyers and even a few diplomats.

I always make a point -- it started last year -- to have young people at my table because it's fun to hear what they see while they are here in America and it's interesting to see what their observations are about their experiences here in America. And I certainly had that reinforced again this evening as we had a terrific conversation at our table.

I thank all of you for sharing part of your Ramadan with us.

Over the years I've had occasion to learn from my Muslim friends what Ramadan is all about.

I've learned that Ramadan is a month set aside for reflection and renewal, deepened by the disciplines of fasting, prayer, and of giving zakat.

Ramadan is when Muslims rededicate themselves to cooperation, to compassion, and to community.

Of course, it is also a social season of open arms, in which no neighbor is turned away.

The tradition of Muslim hospitality has been accumulating for more than thirteen hundred years. I want to express my thanks to the Imam for the beautiful expression of that spirit that he gave to us earlier in the evening.

In modern times, American diplomats and businessmen and women working in countries with Muslim communities have often been guests at dozens of Iftar dinners during their careers.

That's one of the many ways Muslims have made Americans feel so welcome in their countries, and we appreciate that spirit of Ramadan very much.

Just as Americans have been made to feel at home in Muslim lands, Muslims have come to feel at home, and to be truly at home, here in America.

As the Iftar welcomes all in a spirit of brotherhood, so America has been open to all, welcoming to all - as we can see in the diverse and thriving Muslim community in America today.

In fact, the conversation we were having before I stood up to speak was about people coming to America. It was about immigration, using my own family's life experience as to the nature of this open and welcoming country that we have.

And despite our heightened concerns about the security of our nation and the security of the world, America remains an open and welcoming place: a place to visit, to work, to study in, to be healed in, to live in.

We want to have that light so shined before the world that we are that kind of a nation. We want you to come and see Times Square and our musicals. We want you to come and go to Disney World. We want you to come to our universities. It's what makes us who we are, to be that open and welcoming place.

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I know better than anyone in this room that as a result of 9/11 and some of the things we have had to do to make sure that while we remain open we also are secure, we have caused inconvenience for many people who want to travel to the United States but have found it difficult. But I want to assure all of you here this evening and all who may watch this or hear these words that we're doing everything we can to make sure that we strike the right balance between our security and our openness. And you will see things improve, as they have in the last year or so, improve even more in the years ahead as we modify our visa policies and change the approach that we take to this so that we can be secure and fully open.

President Bush has been very clear that we will remain an open and a welcoming land.

And he's been equally clear that America will be with those in need around the world, regardless of race or religion.

We have a record. There are facts, and the facts I'm going to relate to you are facts that I know well because events I'm going to touch on I have been personally involved in over the years.

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American soldiers, along with the soldiers of both Muslim and non-Muslim allies, put themselves in harm's way to liberate Kuwait.

We led the effort to feed the Somali people.

We acted to stop the slaughter of Muslims in Bosnia and Kosovo.

President Bush is the first President to go before the United Nations to state his support for an independent state of Palestine living in peace and security alongside the state of Israel. And he repeated that pledge at his news conference again this morning.

We have we labored and sacrificed to free more than 50 million Muslims from the tyrannies of the Taliban, the tyrannies of Saddam Hussein, in Afghanistan and in Iraq.

The United States has taken the lead to put an end to the crisis in Darfur that has been so tragic for the Muslim peoples of that region. And we will continue to lead until that tragic situation is put right.

Many unkind, and untrue, things are said about the United States in the Muslim world by some people. But I think the facts speak for themselves.

The truth is that America wishes all people well.

America is blessed to be a land that is touched by every other land, and in turn we touch every other land.

We have a strong desire now to reach out and to engage the Muslim world, especially to encourage trends toward freedom and democracy, trends that we see arising in the Muslim world and especially the part of the world we refer to as the broader Middle East and North Africa.

I don't have to explain to this Iftar gathering the history or the reasons for this desire for reform. But I do want to emphasize that our engagement is shaped by certain principles.

And the most important of these principles is that the desire for reform and modernization has to be homegrown, and its achievements home-owned.

Reform and modernization can't be imposed or sustained from outside, but it can be helped if that help is tailored wisely to the conditions of each society, with full respect for the culture and history of each society, for the desires of the people of each of the nations that we will be working with.

We believe that reform will ultimately be successful because freedom and democracy are powerful universal values, not just Western or American values.

The truth of that proposition is clear in the fact that most of the world's Muslims already live in democratic societies, stretching from Indonesia to Mali.

And of course we approach our engagement in partnership with others -- not only with reformers and democratic leaders in the Muslim world, but with democratic governments and publics in Europe, East Asia and elsewhere.

That's what the G-8 Forum for the Future is all about: a new multi-continent partnership effort to support reform. We launched the Forum for the Future in New York at the UN at the end of September, with the participation of 28 foreign ministers from all over the industrialized world and from the broader Middle East and North Africa. We sat in New York and we talked about reform. We talked about modernization.

What was so impressive to me was the words that came back to the G-8 foreign ministers who were there, from the ministers of the region talking about what they were doing and what their people had as expectations and how we could work together to meet those expectations. And we dedicated ourselves to moving forward in this effort.

And I'm pleased that the first full meeting of the forum, with more nations involved, will be held in Morocco before the end of this year.

No matter how often we repeat the principles of our engagement with reform in the Muslim world, they're not always understood or credited abroad. As Muslims who study or who live in America, we hope that you will serve as a bridge to help overcome the misunderstandings that slow the progress in which we all have such a great stake.

You won't be alone. Through the Middle East Partnership Initiative, we've been producing ambassadors of change, ambassadors of change that have gone from their experience here back out in the region over the past several years.

In particular, MEPI programs, as we call them, concentrate on training youth with the skills to succeed, to enhance those skills, to empower women to become full participants and leaders in their communities and in their economies.

One MEPI youth leader from Syria is starting his own magazine at the University of Aleppo - the first student-run magazine of its kind.

This student, Ahmed, and his fellow student leaders from around the region, are learning essential leadership and civic engagement skills through MEPI's "Student Leaders" Institutes.

We're establishing a regional association for female legal professionals and are supporting literacy programs for women.

We've encouraged and financed female-only internet cafes, to meet the cultural needs of Muslim communities and to meet those needs in a respectful manner.

This winter, the "Meet Us" program for Arab businesswomen will bring established professionals to the United States to observe and actively participate in the management of leading businesses and to gain training in mini-M-B-A courses.

We've also set up internships with major multi-national companies for younger Arab business leaders, especially businesswomen - and 11 of those young businesswomen are here tonight with us.

Mayada, from Jordan, is doing an I/T internship at Corning.

Faten, from Lebanon, is interning in management at the Longaberger Company in Dresden, Ohio.

I had the opportunity to meet all of them a few months ago, and I hope to hear more about the projects they're working on before the evening is over.

Let me close by hoping that we all take to heart, take very much to heart, the dedication to cooperation, to compassion and community being renewed during Ramadan by Muslims all over the world.

I thank you for being with us this evening. I assure you that President Bush, in his next four years in office, will be aggressively moving forward to deal with the concerns that are in your hearts and on your minds, with respect to the Middle East peace process, with respect to reform and modernization, with respect to solidifying democracy in places that have never known democracy before, with respect to fighting terrorism, and in the United States the nations you represent will find no better friend and partner.

So once again, let us rededicate ourselves to the values that the Imam spoke so movingly about, and may that dedication bring prosperity and peace to us, prosperity and peace to our brothers, sisters, and friends everywhere, Muslim and non-Muslim alike.

Ramadan Kareem. Thank you.

Countries Commit to Economic Progress in Middle East/North Africa

Economic officials gather at G8 meeting October 1 in Washington

Finance and other economic ministers from the Group of Eight (G8) countries and countries of the Broader Middle East and North Africa (BMENA) committed October 1 to work together to support market-oriented economic reforms in the BMENA.

The support, they added, "will go hand in hand with our support for a just, comprehensive and lasting settlement to the Arab-Israeli conflict," the finance ministers said in a statement released by U.S. Treasury Secretary John Snow, who chairs the G8.

The ministers met on the sidelines of the annual World Bank/International Monetary Fund meeting in Washington.

Ministers also agreed to increase their dialogue on trade issues and to assess the effectiveness and levels of aid needed in the BMENA region, according to the statement.

The finance ministers said they look forward to the launch of the "Forum of the Future" later this year at a meeting in Morocco. The G8 adopted the forum at its annual meeting in June in Sea Island, Georgia.

Through the Forum for the Future, economic and other ministers will meet regularly to discuss and promote democratic, economic, and educational reforms throughout the BMENA.

The G8 countries are Canada, France, Germany, Italy, Japan, the United Kingdom and the United States, and Russia.

Following is the text of the G8 statement:

G8/Broader Middle East and North Africa Finance Ministers' Meeting

U.S. Treasury Secretary John Snow

Summary of Meeting, October 1, 2004

[Washington, D.C.]

This morning, I hosted a meeting of finance and other economics ministers from the G8 and countries of the Broader Middle East and North Africa (BMENA). This meeting continues a dialogue pursued in September 2003 and April 2004 as well as provides an opportunity to further prepare for the first meeting of the Forum for the Future that leaders from the G8 and the region called for in Sea Island. I stressed that economic freedom can best harness the region's rich human and natural resources to meet the aspirations of its people for jobs and improving living standards. Redefining the role of the state in the economy and allowing people more freedom in their economic decisions will provide them the incentives and opportunities to improve their lives.

Ministers welcomed the strong growth in economies in the region. They agreed it was important to take advantage of the strong global economic environment to implement further reforms to accelerate growth and job creation in our countries. They also welcomed the recent pledge by oil producers to increase production as a contribution to global economic stability.

Ministers from the G8 and BMENA region committed to work together to support market-oriented economic reforms, many of which they noted are already underway. They all stressed that is vitally important that reform be home-grown and initiated within the region, with strong ownership. They also stressed the importance of peace and security for private sector investment led growth. Our support for reform in the region will go hand in hand with our support for a just, comprehensive, and lasting settlement to the Arab-Israeli conflict, based upon U.N. Resolutions 242 and 338.

Ministers highlighted the importance of developing small and medium sized businesses (SMEs) and the private sector generally through targeted policy reforms and technical assistance. In particular, the ministers welcomed the launch of the International Finance Corporation's (IFC) new facility for technical assistance to support development of small businesses and the private sector in the region, which was approved by the IFC Board on September 28. Donors have already pledged at least \$32.4 million to the facility, and additional donors have indicated plans to contribute. The IFC has also devoted \$20 million of its own resources.

Ministers also agreed to enhance dialogue on economic and trade issues and assess the effectiveness and levels of development assistance to countries of the region. To this end, they asked experts from participating countries and both the regionally based and other development institutions to study and develop a network of funds, taking into consideration existing regional coordination mechanisms and as proposed by G8 and regional leaders in Sea Island, to advise G8 and regional governments on economic growth and job creation and to provide a forum for improved cooperation in improving effectiveness of official financing.

One priority stressed by regional ministers was the need to strengthen human capital and the institutional capacity of governments for development and reform. They asked the Arab Monetary Fund, International Monetary Fund, Arab Fund for Economic and Social Development, Islamic Development Bank and World

Bank to consult with interested countries, other official donors, and other institutions active in the region to identify and survey jointly top priorities for technical assistance, particularly monetary, fiscal and financial sector, on a country by country basis and produce a prioritized list for regional governments, G8 and official donors.

To meet the goals of sustained growth, job creation and diversification, ministers underscored the central importance of enhancing the integration of the BMENA region into the global economy. In particular, ministers:

- Supported the ongoing efforts of BMENA countries at the meeting to join the WTO.

- Agreed to discuss at future meetings how each country's ongoing reforms are strengthening its investment climate, with a view to improving certain quantitative indicators that it selects, drawing on work underway in the region.

Regional representatives stressed the need for their economies to be better integrated into the global economy, including through improved opportunities for trade both within the region and with industrial countries. Some Ministers highlighted the importance of financial services liberalization.

All the G8 and BMENA ministers looked forward to the launch of the Forum for the Future to initiate a broad dialogue among their countries. Ministers welcomed the Kingdom of Morocco's offer to host the inaugural meeting of the Forum later this year. The finance and economics ministers agreed to continue their dialogue and participate in the Forum for the Future.

Mideast, G8 Foreign Ministers Establish Forum for the Future

New partnership supports collaboration in political, economic reform

Political and economic reforms are keys to progress in the broader Middle East and North Africa region, according to Secretary of State Colin Powell, and the Group of Eight (G8) countries stand ready to help the countries of the region pursue the reforms that they deem necessary.

Powell met with foreign ministers from across the Middle East and North Africa and from the G8 countries September 24 to lay the groundwork for the "Forum for the Future," an initiative proposed at the G8's June 2004 Sea Island Summit.

The G8 countries are Canada, France, Great Britain, Germany, Italy, Japan, Russia and the United States.

"We see the Forum for the Future as an extremely promising opportunity for the G8 partners and countries of the region to work together on political, economic and social reform. These efforts have great potential to improve the lives of people throughout the region, which is good for all of us throughout the world," Powell told reporters following the organizational meeting in New York.

The G8 proposal envisions the creation of a permanent forum in which government, business and civil society leaders from Middle East and G8 countries will meet to discuss needed reforms, share experiences in social, economic and political development, and forge programs aimed at facilitating the desired reforms.

Both Powell and the meeting's co-chair, Moroccan Foreign Minister Mohamed Benaissa said they were pleased with the progress made at the initial planning session.

Powell said that the initiative had come a long way over the past six months, as all of the participants had come to an understanding that the G8 countries are "not here to lecture" but rather to help and partner with the countries of the region as they pursue reforms that reflect their own states of political development, their history, their culture and the desires of their people.

Responding to a reporter's question about the viability of reforms in a region that is experiencing several violent conflicts, Powell said, "There's a clear realization that we must achieve peace and security throughout the region if we want our modernization reform efforts to truly be successful." He added, however, that it is not appropriate to stand still while waiting for these problems to be solved.

He said that the presentation of the business council, which met September 23, raised an important point that unemployment is "the ticking time bomb in the Middle East," as it leads to poverty and "disaffected youth who start looking in other directions."

Powell said the solution to unemployment is to create jobs through a better economic climate for trade and investment, starting by rooting out corruption and establishing the rule of law. These are important goals of the Forum for the Future, he said.

The first official meeting of the Forum for the Future will be held later in 2004 in Morocco.

Following is the transcript of Powell and Benaissa's press conference:

U.S. DEPARTMENT OF STATE
Office of the Spokesman
(New York, New York)
September 24, 2004

Remarks by Secretary of State Colin L. Powell
And Moroccan Foreign Minister Mohamed Benaissa

Both Powell and the meeting's co-chair, Moroccan Foreign Minister Mohamed Benaissa said they were pleased with the progress made at the initial planning session.

Powell said that the initiative had come a long way over the past six months, as all of the participants had come to an understanding that the G8 countries are "not here to lecture" but rather to help and partner with the countries of the region as they pursue reforms that reflect their own states of political development, their history, their culture and the desires of their people.

Responding to a reporter's question about the viability of reforms in a region that is experiencing several violent conflicts, Powell said, "There's a clear realization that we must achieve peace and security throughout the region if we want our modernization reform efforts to truly be successful." He added, however, that it is not appropriate to stand still while waiting for these problems to be solved.

He said that the presentation of the business council, which met September 23, raised an important point that unemployment is "the ticking time bomb in the Middle East," as it leads to poverty and "disaffected youth who start looking in other directions."

Powell said the solution to unemployment is to create jobs through a better economic climate for trade and investment, starting by rooting out corruption and establishing the rule of law. These are important goals of the Forum for the Future, he said.

The first official meeting of the Forum for the Future will be held later in 2004 in Morocco.

Following is the transcript of Powell and Benaissa's press conference:

U.S. DEPARTMENT OF STATE
Office of the Spokesman
(New York, New York)
September 24, 2004

Remarks by Secretary of State Colin L. Powell
And Moroccan Foreign Minister Mohamed Benaissa

Joint Press Availability on the Broader Middle East and North Africa Initiative

September 24, 2004
The Waldorf-Astoria
New York, New York

(12:45 p.m. EDT)

SECRETARY POWELL: The Foreign Minister and I apologize for being late. But frankly, we had a very excellent set of discussions in the room across the way, and more and more member of the delegations asked to speak as we got toward the end of our meeting.

It was a very successful preparatory meeting for the Forum for the Future. I'm happy to give you the highlights of our meetings and take a few questions with the Minister. And, of course, as you know, we have put out a Chairman's Statement, which will describe our work in greater detail.

The Broader Middle East and North Africa Initiative aims at supporting regional efforts for reform and modernization and responds to the region's own efforts to strengthen democracy and public participation. We all recognize that reform must originate within the region. I am pleased that we have agreed to establish a Forum for the Future, and that Morocco has agreed to host the first meeting of the Forum later this year in Morocco, and I extend my thanks to my colleague and to His Majesty, King Mohamed, VI.

We see the Forum for the Future as an extremely promising opportunity for the G-8 partners and countries of the region to work together on political, economic and social reform. These efforts have great potential to improve the lives of people throughout the region, which is good for all of us throughout the world.

My colleague, I thank you for co-chairing with me today, and I invite you to say a few words.

FOREIGN MINISTER BENAÏSSA: Thank you, Mr. Secretary. I, too, would like to share with you the general feeling we have had as an outcome of this very, very successful meeting. I think today, we have made departure, the step one in a new partnership, which is going to find its own mechanisms and will strengthen further the cooperation between countries, both of the region and also countries of the industrialized G-8.

I believe the success, of course, of this meeting is due mainly, I must say, to the leadership of Secretary Colin Powell, and his ideas that he has put forward with his introductory remarks set the tone and the form of the future action we have to undertake together.

I will just finish my very quick remarks by saying that we in Morocco, we insist that we should go further, but we should do better, because the quality should not precede, the speed should not precede the quality.

Thank you.

SECRETARY POWELL: Thank you very much.

MR. BOUCHER: Okay. Glad to take questions. We'll start down here, then.

QUESTION: (Inaudible), Al-Jazeera Television. Mr. Secretary, is there a realization that the situation in the Middle East, and whether it's between the Palestinians and the Israelis, or in Iraq is bloody, actually, the cycle of violence, and all the events that are happening Iraq. I mean, how does this go along, this initiative, how does this go along with what's really happening on the ground.

(In Arabic, via interpreter.) And Mr. Secretary, if you can answer the same question in Arabic.

SECRETARY POWELL: There's a clear realization that we must achieve peace and security throughout the region if we want our modernization reform efforts to truly be successful. We didn't shrink from this reality. And it is the feeling of the group that just met that we need to see peace and democracy in Iraq, in Afghanistan. We had a presentation on the upcoming elections in Afghanistan from the Foreign Minister of Afghanistan. We also know that we have to do more to achieve peace between the Israelis and the Palestinians; that is a problem. There are other areas of instability in the region. Kashmir was mentioned.

But we can't not move forward while we are waiting for these difficult problems to be solved. And in fact, the region is not standing still, even in the presence of this kind of problem. We heard a number of presentations this morning on successful reform and modernization efforts that are taking place now, and what we hear this morning is that the nations of the Broader Middle East and North Africa know that they have to move now and not wait for some time in the future to think about moving.

One of the most powerful presentations we had this morning was from the business sector, the business dialogue, and the ticking time bomb in the Middle East, the presenter said, is unemployment. And unemployment leads to all kinds of other problems: poverty, lack of economic development, disaffected youth who start looking in other directions, not helpful directions, not healthy directions.

And so unemployment is a ticking time bomb. What do we do about unemployment? You create jobs. How do you create jobs? You create a better economic climate that will attract trade and investment. You make sure you've rooted out corruption and you have a solid foundation in rule of law.

And so, while we are very mindful of the problems that you raise, we also know that, while dealing with those problems and trying to solve them, we cannot let reform not move forward or stand still.

FOREIGN MINISTER BENAÏSSA: I am going to speak in Arabic --

SECRETARY POWELL: Please.

FOREIGN MINISTER BENAÏSSA: (In Arabic, via interpreter.) I believe, first of all, the position of the Kingdom of Morocco regarding the issue of reform. It was very clear in the statement by His Majesty, King Mohamed, VI, during the last Arab League in Tunisia. And it was very clear also during the final communiqué issued by the Arab League in Tunisia regarding the issue of reform in the Middle East and North Africa.

Today, we are talking about cooperation that we should establish among ourselves for the purpose of the necessary reforms that should take place. It is true that there are tragedies, very harsh realities that exist in the Arab world, and we have said that on every occasion and I say that this morning. But we cannot really

activate a cooperation and a partnership in the area of economic partnership or carry out reforms, as it was mentioned in different documents without putting an end to the Palestinian tragedy and to the war waged against the Palestinian people, and without putting -- without looking at the security situation on Iraq on the basis of Iraq independence and territorial integrity.

MR. BOUCHER: Okay, let's go to Reuters.

QUESTION: Mr. Secretary, did the Libyan Foreign Minister, in your meeting yesterday, or has the Libyan Government, prior to your meeting yesterday, done anything to allay your concerns about the allegations that the Libyans plotted to kill Saudi Crown Prince Abdullah?

SECRETARY POWELL: We discussed the matter, and I conveyed to my Libyan colleague that it was an outstanding issue, it required continued inquiry and investigation, and that it would be a problem in our relationship and in the roadmap as we go forward, until the matter is cleared up.

But he did not have any information for me that advanced my knowledge of the subject or removed the problem.

MR. BOUCHER: Okay. Let's go down here to Tammy.

QUESTION: If I could ask about the -- oh, sorry. If I could ask about the Iraqi elections. How can elections that are billed as likely being imperfect be seen as legitimate?

SECRETARY POWELL: What the Prime Minister said yesterday is that if elections were held today, 15 of the 18 provinces would have not the slightest problem in conducting those elections.

The elections are not being held today. They are being held at the end of the year or the end of January. And we are fully aware that we have to take political and military and security and police action to bring these three additional provinces firmly under government control and to create conditions where people will be free to register, and free and able to vote when the time comes.

So, as the Prime Minister said yesterday, he is determined to have a full, free, fair election at the end of January of 2005, at the latest. And there's no reason why that shouldn't be the case.

Will there be places where it might be more difficult than other places? I'm sure there will be. We just heard from the Afghan Foreign Minister, where he expects in Afghanistan, as we get closer to the 9 October election date, for violence to increase and for people to try to stop the free exercise that the people want to participate in of voting for their own leaders.

But we can't allow those who would take us back to the past to succeed, and so we will all be working hard over the next several months to create conditions of security and firm government control throughout all of the provinces of Iraq so that a full, free, fair, open election can be held in the presence of danger and in the presence of those who don't want to see democracy move forward, who want to drag the nation back to the past. The people of Iraq want to move into the future, not go back into the past.

MR. BOUCHER: Let's try the gentleman on the aisle here.

QUESTION: Jerry Nadler, Associated Press. I'd like to ask two questions, if I may. They'll be brief.

The Chairman of the African Union, who is also the President of Nigeria, yesterday said --

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SECRETARY POWELL: I'm sorry, I'm unable to hear you. You have a speaker there, but I don't -- I don't have a speaker up here. So try again.

QUESTION: Try again. Oh, speak up? Could you hear me now?

SECRETARY POWELL: A little better. Go ahead. Go ahead.

QUESTION: The Chairman of the African Union --

SECRETARY POWELL: Chairman of the African Union.

QUESTION: -- said yesterday that the African Union is prepared to move 3,000 to 5,000 troops into Darfur, but they need money.

SECRETARY POWELL: Right.

QUESTION: Millions of dollars to deploy these troops, to help move them.

SECRETARY POWELL: Yeah.

QUESTION: Is the United States prepared to help them?

The second question is, yesterday the Russians circulated a proposal to make it easier to extradite terrorists who have attained asylum in countries under, for instance, the Convention of Refugees.

SECRETARY POWELL: I've got it, sir.

QUESTION: The former foreign minister of Chechnya is now in the United States. Is the United States prepared to extradite him?

Thank you.

SECRETARY POWELL: On the first question, I met with President Obasanjo last evening and told him that what we had to do, working with the African Union and the European Union and others, is to get a firm handle on what would be required to move these additional troops into Darfur, what logistics sustainment would be necessary. And I indicated to him the United States would certainly be willing to contribute money to this effort and other nations have already started to contribute money to the effort.

I think the international community understands the importance of this effort and the money will be forthcoming, but we have to have a good handle on how much is needed, what capabilities are needed, and what will it take to put this force into the field and to sustain it.

With respect to the Russian proposal, I haven't had time to examine or study it yet. The individual who has gained asylum in the United States gained it through our judicial process. It is not a matter for the State Department or even the Department of Homeland Security. It is a matter that has been dealt with by our judicial system, and he has been granted amnesty and enjoys that amnesty. And the Russians understand the nature of our system and how it came about.

MR. BOUCHER: We've got time for one or two more, if they're short. Cam.

QUESTION: Mr. Secretary, the Secretary General is obviously very committed to having the UN play the vital role in Iraq that's envisioned in 1546 but, obviously, hasn't been able to get enough people on the ground yet.

Two things. What level do you think they need to be involved in order for there to be credibility and legitimacy in the elections? And second, how do you balance the desire to have the UN vitally involved versus the shadow of August 19th that's still over UN Headquarters here in New York?

SECRETARY POWELL: First, the Secretary General and I had a number of conversations about the need to build up quickly a UN presence in the region. Keep in mind that the elections are really going to be run by the Iraqis, with assistance and empowerment and technical advice from the UN.

And the Secretary General wants to get more people in and we are working with the Secretary General's staff to determine how best to provide the security that these additional personnel will need to be able to do their job. And we're deeply engaged in that now with the multinational force and with other nations that might provide funding assistance to help the UN build up its presence in the country.

The August tragedy last year that killed Sergio de Mello and so many other dedicated and wonderful people was a shock to the international system, to the UN system. And the Secretary General, of course, has an obligation to continue to do the work of the UN but, at the same time, provide a reasonable level of protection for the people who are asked to perform that work. And he is now balancing those two issues and we're going to help him with the protection issue so that we can get these people in to do their work.

There are dedicated, committed UN personnel who are anxious to go into Iraq, knowing the importance of the work to be done, and we have an obligation to make sure that they are reasonably well protected in the pursuit of that work.

MR. BOUCHER: Last question to CNN.

QUESTION: Mr. Secretary, how do you respond to critics who say that, on the one hand, this Administration is making the pursuit of democracy, especially within the Middle East, a cornerstone or at least at the center of your policy and yet, on the other, when you and President Bush meet with the President of Pakistan and the President of Russia, you tread very lightly on big steps backwards that both of those governments are making in democracy?

SECRETARY POWELL: I see both Pakistan and Russia moving forward. We better go back to where we started. There was a Soviet Union some 12 years ago that had no democracy whatsoever. We now have a Russian Federation that has moved significantly in the direction of democracy, elections of the type that had not seen in the old Soviet Union, an economy that is more market oriented than it ever had been, of course, in the old Soviet Union.

And so Russia has been moving forward toward democracy. On those occasions where we see something take place within the Russian Federation that give us some concern, we have not been the least bit reluctant to point out those concerns to President Putin and to his colleagues, and we point it out to them as friends, as partners, as somebody who is interested in nothing but the best for the Russian people and for the Russian Government and for Russian democracy.

I have done it regularly over the past year. You will recall I went to Moscow at the beginning of the year and I did an op-ed piece for Izvestia which laid out some of these concerns. And in the last ten days I have spoken to this, as well as the President speaking to it. So we express our concerns.

With respect to Pakistan, let's also see where we were three years ago. Three years ago this month, Pakistan was certainly tolerating, if not directly supporting, and was directly supporting in many ways, the Taliban regime. We had a very strained, difficult relationship with Pakistan. And in a bold, strategic move, President Musharraf decided, in a phone call I will never forget on about the 13th or 14th of September, that he would move Pakistan in an entirely new direction.

He has done that. And he has taken action to fix his school systems. He has taken action to deal with his economic problems. He has taken action to satisfy concerns that we had and presented to him with respect to nuclear proliferation on the part of Mr. A.Q. Khan and his network. He has taken other actions with respect to empowering a prime minister and getting a parliament up and running and functional. And so there are other steps that I know he'll be taking in the days and months ahead.

There are critics who say he should be doing more or he should be taking other steps right now, today, with respect to his own status. We are in the closest touch with President Musharraf. We talk to him on a regular basis. He knows that we believe it is in the interest of the Pakistani people to continue to move down a path toward full democracy.

But these are complex issues and so we want to be good partners and friends to Pakistan and Russia, just as we want to be good partners and friends in the reform and modernization efforts that are going to be taking place within the Broader Middle East and North Africa.

This meeting would have been unthinkable five or six months ago when we first started out. People said, you know, the United States and the G-8 are lecturing to the Broader Middle East and it isn't going to be acceptable, it won't work. And when we finally made the point and got agreement with our friends that we're not here to lecture, we're here to help, we're here to partner -- reform has to come from each of these countries as an individual matter based on their state of political and economic development, their history, their culture, the desires of their people, and the commitment of their leaders -- and the G-8 is standing by, ready to assist these reform and modernization efforts. But as was mentioned a couple of times in there, you don't use a cookie-cutter. You adjust the help you're willing to give in a manner that makes it supportive of what that country is trying to do.

That is also our policy with all of the newly independent nations of the former Warsaw Pact and Soviet Empire, our friends in Latin America and Africa and elsewhere. Not all move at the pace that I might like to see. What's important is: Are they moving. And when they slip back a little bit by our standards, do we express our concerns?

We do it in many ways, by public commentary, by our Trafficking in Persons Report, with the Human Rights Reports that we put out, the Terrorism Reports that we put out. And so we will continue to act in that manner, but in a manner that shows that we are working with these countries as friends and partners.

MR. BOUCHER: Last word from the Moroccan Foreign Minister.

FOREIGN MINISTER BENAÏSSA: Just a word in order not to be misunderstood. I just want to extend Morocco's welcome and to say how we are honored to have the first meeting of the Forum for the Future taking place in Morocco. Of course, we look forward to the participation of all countries of the Broader Middle East and North Africa as well, of course, as countries of the G-8. And we hope that this can make another departure from very far the angle of the Middle East and North Africa -- that's Morocco.

Thank you.

SECRETARY POWELL: I would also thank the Minister and His Majesty for their willingness to host this first big meeting, and a number of nations at the meeting volunteered to host the next one. A week ago, that was not the case. I think we have buy-in and this process is alive and well, it's been launched well here today, and it will produce results.

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Thank you.

Business Leaders Outline Private Sector Role in Forum Dialogue

Leaders' report to G8, Mideast and North African foreign ministers

Business leaders from the Group of Eight (G8) nations and the broader Middle East and North Africa met in New York September 24 to discuss the role of business in the Forum for the Future dialogue. The G8 countries are Canada, France, Germany, Italy, Japan, the United Kingdom, the United States and Russia.

The inaugural meeting of the forum is scheduled for December 10-11 in Rabat, Morocco.

Following is the statement that the business leaders submitted to their foreign ministers:

Business Dialogue Statement to Ministers

Secretary Powell
Minister Ben Eissa
Ministers
Ladies & Gentlemen

I have been selected by colleagues from the Middle East business community to address you this morning about issues of great importance to us in the region.

INTRODUCTION:

The Middle East region is faced with multi-dimensional challenges.

On the economic/ business front, the region is facing low productivity, low investment levels, low growth rates -- all contributing to a major time bomb of high unemployment.

Average unemployment in the region is 15% and higher amongst youth reaching 30%.

To maintain present levels of unemployment -- the region needs to create 100 million jobs between today and 2017. That is only 13 years away.

To create 100 million jobs over that period requires job growth of 4% per annum, a rate that has not been achieved in any nation during the 20th century.

This time bomb of unemployment is a reality that calls for the region's political, business, economic and community leaders to work together nationally, regionally and globally to overcome it.

Given the region's potential, combined with creative and innovative initiatives and supported by the economic super powers, we can overcome our challenges.

WHY A BUSINESS DIALOGUE:

Let me address the question: why a business dialogue?

Allow me to highlight 4 reasons why Business must be a partner in enhancing and reinforcing reform, competitiveness, and development.

1. Business is an engine and an indispensable ingredient for sustainable economic growth. Middle East business leaders and NGO's focused on economic issues have been strong voices for economic reform. I will refer to only two examples: The Arab Business Council's Blueprint for Economic Reform, which focuses on Corporate Governance, Human Resource Development and Economic Liberalization and the Alexandria Declaration.

2. Engaging business is critical to enhance national and regional competitiveness, the key to successful economic integration globally.

We support all efforts, especially the creation of National Competitiveness Councils in the region to evaluate, benchmark and recommend policies for enhanced competitiveness.

3. Business has been and in certain countries remains an impediment to free trade, and competition. Monopolistic and protectionist policies have no place in the region.

4. Finally successful business dialogue has been a recipe for success in Asia, Europe -the Trans- Atlantic dialogue and in major trading blocs such as NAFTA , Mercusor and EU.

AGENDA FOR DEVELOPMENT:

Allow me now to turn to our core message and a suggested Agenda for Development.

The Middle East has failed to reach its economic and business potential. All indicators show the gap between the status quo and the potential.

The vision is there and the strategies are on the table. The crux today is execution.

Execution and implementation will only come from clarity and transparency.

Some facts to bear in mind before we move to our Agenda For Development:

1. No one size fits all in terms of the region reform.

2. The Middle East region is not homogenous. Some countries are far advanced in certain sectors - however all can gain from leveraging best practices.

3. In each country in the region there are reform movements and supporters of competitiveness, but maturity and absorption capacity differ widely. It is therefore critical not to impose reform, but rather for

the G-8 to work with the region's Governments, NGO's and business to create in a best practices paradigm. Such a policy will give positive multipliers rather than cause negative resistance.

4. To achieve the region's potential and face up to the challenges, we must acknowledge the symptoms and take comprehensive initiatives. Half measures are not enough, as they will not produce the momentum, nor create the critical mass, nor achieve the results we all desire for our children and ourselves.

These initiatives need to be home grown, built on tradition and culture that witnessed the region's greatness and its leadership. No other route has a better opportunity for success.

Such initiatives from our perspective must focus on:

- Governance.
- HR Development
- Education
- Economic Liberalization
- Competitiveness.
- Capital Markets (integration)
- Technology
- Connectivity
- Arabization
- Local content
- Trade and Investment

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BODY:

Let me now share with you the 10 points the business dialogue would like to put on the table as an Agenda for Development.

1. The business leaders of the region wish to re-affirm their commitment to 2 covenants on:

- Corporate Governance
- Elimination of Corrupt Business practices

Plus 2 declarations on :

- Accounting and Audit Standards
- Corporate Social Responsibility

and are putting programs in place to promote all 4.

2. The Business community stands ready to engage in dialogue with Governments of both region and the G-8 to developing towards the region's potential.

3. We ask the G-8 to provide us access to your markets and to remove both domestic and export subsidies especially on agricultural products.

4. We ask both the G-8 and our region to accept outsourcing as a beneficial market allocation of resources, both in terms of services and human resources labor mobility.

5. We ask the G-8 for access to their technologies and support in developing home grown tech industry to service the next billion customers which will come from India, China, Brazil and the developing World.

6. We ask our ME Governments to change their policy on research and development to encourage local and foreign entrants in this crucial sector Hungary allows foreign companies to deduct up to 200% of R& D expenses from taxable income. Ireland's experience is also a clear-cut success.

7. Demographics in Europe and the Middle East are reversed. The skilled labor needs in Europe are increasing and youth in the Middle East can be trained in advance on required skills.

Instead of illegal immigration of labor, the alternative is providing skilled human resources to employers under contractual agreements.

Free trade must ultimately be coupled with free labor mobility

8. Economic reform in the region needs to be sustainable and to arrive at levels that have a clear and positive impact on the livelihood of the people of the region. Reform cannot be piece meal nor personalized. Reform and competitiveness must be institutionalized and have a clear-cut constituency of support. Media and education are critical components.

Business wishes to establish a regional Policy Institute as a forum for decision makers focused on action plans and execution of policy.

9. Business is also committed to play its role in education to develop competitive human resource capabilities both regionally and globally. Technical assistance is needed for such an ambitious objective.

10. Finally business calls upon you all to arrive at just and sustainable solutions to our region's conflicts that include but are not limited to the Arab Israeli conflict, Iraq, Afghanistan and Kashmir.

Future generations will look back at wonder and us why we were not much more pro-active and result oriented. The reality of our situation and its global implications cannot continue without us surrendering our humanity.

In conclusion I wish to reaffirm that the business community of the Middle East stands ready to work constructively in addressing these challenges.

Some of our initiatives that are underway are summarized in a set of slides, which we are sharing with you today.

The success of our Agenda For Development is critical for the future of our region.

[New York, September 24, 2004]

U.S. to Propose Broad Middle East Initiative During U.N. Meetings

Effort aims to improve region's living standard, State's Larson says

By Kathryn McConnell
Washington File Staff Writer

Washington -- The United States, backed by other major industrialized nations, will call for a broad multilateral initiative to help countries in the Middle East in areas such as education, job creation and development, says Under Secretary of State Alan Larson.

The initiative, to be called the Forum for the Future, will be proposed during the current U.N. General Assembly meeting in talks scheduled for September 23-24 with diplomats and representatives of businesses and civil society, Larson said in an interview aired September 17 by the Arabic-language Radio Sawa and Alhurra television station.

The 59th session of the U.N. General Assembly began September 14 in New York.

The proposal to be introduced by the United States on behalf of the Group of 8 (G8) nations will call for an ongoing public-private forum to guide the development of programs and strategies to help countries in the Middle East provide a better quality of life for their citizens, Larson said.

The meetings in New York "are intended to be the beginning of a process that can greatly improve the lives of ordinary people in the Middle East," Larson said. They are intended to be the "beginning of a partnership" that will focus on the things that matter the most to people, such as good education opportunities, strong government institutions and good job opportunities, he said.

The effort will be a follow-up action to a pledge made by the G8 at its annual summit in June to help countries in the Middle East achieve economic growth and political reforms, Larson said. The United States currently chairs the G8, which includes Canada, France, Germany Italy, Japan, Russia and the United Kingdom.

Larson said since the June meeting at Sea Island, Georgia, \$50 million of a targeted \$100 million has been raised to support an International Finance Corporation (IFC) regional facility to promote small business development. The IFC, part of the World Bank, supports business development and investment in emerging economies.

The under secretary said people in the Middle East have expressed strong interest in adopting governmental reforms that will result in greater ease in doing business in the region and create jobs. He said already efforts are underway in the region to provide more opportunities for business growth.

For instance, he said, Jordan and Yemen have provided leadership in developing microfinance programs. Other examples are Morocco and Bahrain, which have developed initiatives to provide more business education and training to entrepreneurs, he said.

In other Middle East efforts, Larson said, the United States is working with Saudi Arabia to help the country gain entry to the World Trade Organization (WTO). Accession into the world trade system would help the country diversify its exports and provide more jobs to its rising generation of young workers, he said.

The United States also is leading an effort to help the Palestinian Authority institutionalize economic reforms that will allow Palestinians to have more "economic vitality" and access to better services such as water and electricity, Larson said.

Another U.S. Middle East focus is to ensure the flow of aid money to Iraq and that funds are being used effectively, he said.

The under secretary pointed to a follow-up donors conference to be held in October in Tokyo that will discuss how to accelerate the Iraq reconstruction money pledged at an Iraq donors conference in Madrid in 2003.

The United States and other G8 members in June also agreed to enter into negotiations later in 2004 on a sustainable debt reduction plan for Iraq that would be based on an International Monetary Fund (IMF) assessment, Larson said.

Powell Welcomes Arab Businesswomen for Training, Internships

MEPI program draws women from across the Arab world

Secretary Powell talks with participants of the first MEPI program for young Middle Eastern women, Aug. 2, 2004. The businesswomen are beginning a four-month study and internship program with some of America's leading companies, consulting businesses, and law firms. (©AP/WWP)

Secretary of State Colin Powell welcomed 42 young businesswomen from across the Arab world to the United States as they began a four-month study and internship program with some of America's leading companies, consulting businesses and law firms.

The program is the first of its kind in the

framework of the Bush administration's Middle East Partnership Initiative (MEPI).

"Meaningful international partnerships such as this begin with mutual understanding," Powell said to the participants as they gathered in Washington August 2. "We want you to learn more about us. We want you to learn more about the United States, more about how we work, more about our entrepreneurial spirit, how our businesses work. And the Americans you will be meeting, the ones you will be working with during this program will learn about you."

The secretary characterized the women as pioneers in their countries, seeking to widen economic opportunity, expand political participation and improve education.

"The program is designed to deepen and strengthen your already impressive talents in the fields of business and law," he said. "The program will also help you forge relationships with leading entrepreneurs here in the United States and within the international community as well. These relationships, I am quite sure, will serve all of you well and serve your countries well in the years ahead."

Powell said he looked forward to the knowledge and experience that the women will be able to apply to their personal pursuits when they return to their countries.

"We wish you every success when you take this experience, this training, this mentoring that you're going to receive back to your countries and prepare a brighter future for the people of your nation," he said.

Following is a transcript of Powell's remarks:

U.S. DEPARTMENT OF STATE

Office of the Spokesman

August 2, 2004

REMARKS

Secretary of State Colin L. Powell

First Group of Middle East Partnership Initiative (MEPI)

U.S. Business Internship Program for Young Middle Eastern Women

August 2, 2004

Treaty Room

Washington, D.C.

(3:30 p.m. EDT)

SECRETARY POWELL: I am so pleased to join Assistant Secretary Harrison, Undersecretary Dobriansky, Deputy Assistant Secretary Romanowski and Assistant Secretary Bill Burns in welcoming all of you to the State Department. You have our warmest congratulations on being selected as the very first participants in the MEPI U.S. Business Internship Program for Young Middle Eastern Women.

The U.S.-Middle East Partnership Initiative is an important bridge between America and the Middle East and between our governments and our peoples. Meaningful international partnerships such as this begin with mutual understanding. We want you to learn more about us. We want you to learn more about the United States, more about how we work, more about our entrepreneurial spirit, how our businesses work. And the Americans you will be meeting, the ones you will be working with during this program will learn about you. They want to learn about you, and they want to learn about the wonderful diversity that you represent, a diversity that is contained as you heard from Pat a moment ago, in sixteen nations from Morocco to Oman, and from Yemen to Iraq.

As some of you may know, I have just returned overnight from a trip -- in fact, I returned at 4:30 this morning overnight -- from a trip that took me to Hungary, Bosnia, Poland, also to Egypt, Saudi Arabia, Iraq and Kuwait -- and not to mention Bosnia Herzegovina, I should say, rather than just Bosnia. And in Kuwait I met one of my new friends now, Sumaya Aljasem. She is here I hope. Where are you? Ah, you are as jet lagged as I am then, if you are here today.

But every place I went, in addition to meeting with government officials, I made a point of talking to young people. I made a point of working with civil society and learning about what is really going on inside of these countries and getting a better understanding of what's going on in the countries from just talking to the officials of those countries. Wonderful people like these young women helped to educate me and give me a better understanding of the needs, aspirations, hope and desires of these people, and more importantly, how they plan to contribute to the development of their nations as time passes, we get deeper into the 21st century.

In my official meetings, I discussed with our close friends the situation in Iraq and how best we can work together to support Iraq's reconstruction. We also discussed in all of these countries that I visited our cooperation in the war on terror, Gaza disengagement and ways to support reform in the Broader Middle East and North Africa.

Indeed, through MEPI, Middle East Partnership Initiative, the United States is putting our support behind programs that prepare young people for a new world, a new world that we're helping to create in that part of our world, a new world based more and more on democracy and freedom and reform and modernization. We need pioneers such as these, who are already working to widen economic opportunity. They're hard at work expanding political participation and doing everything they can to improve education for men and for women alike.

As their presence here today attests, MEPI is dedicated to reaching out to women all across the region, helping to advance their efforts to fully and equally contribute to the economic, social and political life of their countries.

The State Department's Bureau of Near Eastern Affairs and the Bureau of Educational and Cultural Affairs have developed what I think you will find to be a highly useful program. The program is designed to deepen and strengthen your already impressive talents in the fields of business and law. The program will also help you forge relationships with leading entrepreneurs here in the United States and within the international community as well. These relationships, I am quite sure, will serve all of you well and serve your countries well in the years ahead.

We have enlisted the help of two of our finest business schools -- Duke University and Emory University. Their courses will acquaint you with our business culture and provide you with skills that will be valuable to you in your internships and ultimately to your careers back at home.

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The response of major American companies to this initiative has been very enthusiastic and I've been so satisfied and pleased at the way in which American business has come forward. Our businesses and our law firms who will participate in this program will welcome you, welcome you with open arms and they will help you hone your skills through direct experience, on-the-job experience.

One of your colleagues, Henda El Moughni has said that she looks forward to learning how businesses operate in a global economy and then using that understanding to start her own business in Qatar.

We applaud her goals and agree with her that the real value of the MEPI U.S. Business Internship Program will be realized when each of you finishes your internship, goes back home, puts your knowledge and experience to work for yourselves, for your communities and for your countries.

We wish each of you a productive and enjoyable internship and every success during the time that you spend in this program here in the United States, but above all, we wish you every success when you take this experience, this training, this mentoring that you're going to receive back to your countries and prepare a brighter future for the people of your nation.

So thank you all for being here. Thank you for participating in the program and I wish you the best of luck. Thank you.

Consensus For Reform Growing in Middle East, Larson Says

Upcoming G8 summit will build on regional leaders' efforts

President Bush and his counterparts from the Group of Eight (G8) industrialized countries are committed to supporting Middle East reform initiatives and will further their cooperation with regional leaders during the G8 summit scheduled for June 8-10 at Sea Island, Georgia, U.S. Under Secretary of State Alan Larson says.

"Consensus for reform, and recognition of its benefits, is growing," Larson said during a June 2 Senate Foreign Relations Committee hearing on the prospects for political and economic change throughout the Middle East and North Africa.

President Bush has invited the leaders of Jordan, Algeria, Bahrain, Yemen and Afghanistan to attend the G8 summit as part of a broad effort to support democratization and economic development in the region, Larson said.

The G8 -- comprised of the United States, France, Germany, the United Kingdom, Italy, Japan, Canada and Russia -- will devote a special session to advancing its cooperation with the Middle East.

"Starting from the issues our partners in the region have identified, we are working together with the other G8 countries on a number of possible initiatives that will help regional reformers to achieve their goals," Larson said.

Issues on the agenda will include ways to increase micro-credit programs in the region, improve teacher training, and expand trade within the region and with the rest of the world, Larson said.

He told senators that the plans have met with "considerable acceptance" -- largely because they respond to views and declarations of people in the region itself.

"This initiative is intended to enhance and support G8 countries' long-term engagement and dialogue with this region. We intend to proceed in the spirit of collaboration and mutual respect," he said.

Following is the text of Larson's testimony as prepared for delivery:

Supporting Reform and Opportunity
In The Broader Middle East and North Africa

Statement by Alan Larson
Under Secretary of State for Economic, Business and Agricultural Affairs

Before the Senate Foreign Relations Committee
June 2, 2004

Mr. Chairman, members of the Committee: thank you for the opportunity to speak with you today on our efforts to encourage and support economic, social and political reform in the G8 Broader Middle East and North Africa. Mr. Chairman, I particularly want to thank you and Senator Hagel for keeping support for reform in this region at the forefront of U.S. foreign policy.

The broader Middle East is a region with an important cultural heritage and a history of scientific contributions that inspires great pride. Today, however, the region faces significant challenges in tapping the vast potential of its people and offering them freedom, opportunity, and prosperity.

We recognize the importance of a lasting peaceful settlement of the Arab-Israeli conflict, and every day we are working toward this goal — as we are toward the goal of a peaceful, democratic, and sovereign Iraq. At the same time, regional voices are calling for reform; we must respond to this desire for change. Divisions, disputes, and even violence in the region cannot be allowed to become an excuse for deferring reform; indeed, reform can help to bring them to solutions.

President Bush has laid out a vision of partnership in support of political, social and economic reform. From the beginning of our work on this issue we, and our G8 partners, have recognized that reform must be an internal process in each of the countries of the region. No one-size-fits-all formula can meet the varied needs of this region, nor can reform be imposed from the outside. President Bush and the Administration are committed to working with the countries of the region to help facilitate reforms that each nation and its people have identified as necessary for their own advancement.

Consensus for reform, and recognition of its benefits, is growing. In recent years, gradual reforms have led to increased political and economic opportunities and improved living conditions for both women and men across the region. For example, in the last three years, citizens of Bahrain, Jordan, Morocco, and Yemen have elected new parliaments.

Last year, the people of Qatar approved a new constitution by referendum, and just a few months ago Morocco adopted a new family code that protects the rights of women.

Recently, we concluded free trade agreement negotiations with Morocco and Bahrain.

The United States already has free trade agreements with Jordan and Israel. Algeria, Egypt, Kuwait, Qatar, Saudi Arabia, Tunisia, the UAE [United Arab Emirates], and Yemen have signed Trade and Investment Framework Agreements with the United States.

Reform has a positive multiplier effect in a society. Political, educational, economic, and social reforms connect on many levels to reinforce each other and to create hope and opportunity. Even small steps can give people more opportunity to shape their lives, their societies and their future. Each step leads to greater freedom, greater experience and strengthened confidence.

We recognize, of course, that this region is one of different societies and we know each has uniquely different circumstances. At the same time, we believe the aspiration for freedom and opportunity is universal. We believe that the basic pillars of democracy -- such as a representative legislature, an

independent judiciary, a free press and market economy -- are suitable for all people and compatible with any society, though they may not look exactly the same or function in exactly the same way.

We are looking for ways to facilitate and support reform initiatives that are identified and proposed by those who will ultimately implement them and benefit most from them. The people of this region want reform that will address their needs, and we stand ready to help, for as long as it takes to achieve success.

The people of this region have clearly and convincingly analyzed the challenges they face. The authors of the Arab Human Development report, the prestigious Arab NGOs [non-governmental organizations] and individuals who met at the Alexandria Library in Egypt last March and the members of the Arab Business Council have described the dilemma faced by the region in clear terms.

More recently, Arab leaders answered this call at the Arab League Summit, May 22-23 in Tunis. Leaders called on members to continue reform to foster democratic practice, broaden participation in political and public life, strengthen the role of civil society, and "expand women's participation in the political, economic, social, cultural and educational fields, [and] enhance their rights and status in society." More specifically, the region itself has identified several primary challenges, including:

- Broadening participation in public and political life, in particular, increasing the role of women in economic, social, and political spheres.

- Increasing commitment to free and transparent elections, improving functioning of parliaments, supporting an independent judiciary, and encouraging free media and active civil society.

- Intensifying efforts to develop and improve education to improve curricula and teacher training systems and to combat illiteracy.

We recognize, of course, that this region is one of different societies and we know each has uniquely different circumstances. At the same time, we believe the aspiration for freedom and opportunity is universal. We believe that the basic pillars of democracy -- such as a representative legislature, an independent judiciary, a free press and market economy -- are suitable for all people and compatible with any society, though they may not look exactly the same or function in exactly the same way.

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economic, social, cultural and educational fields, [and] enhance their rights and status in society." More specifically, the region itself has identified several primary challenges, including:

- Broadening participation in public and political life, in particular, increasing the role of women in economic, social, and political spheres.
- Increasing commitment to free and transparent elections, improving functioning of parliaments, supporting an independent judiciary, and encouraging free media and active civil society.
- Intensifying efforts to develop and improve education to improve curricula and teacher training systems and to combat illiteracy.
- Generating enough employment to accommodate the five million job seekers entering the market each year.
- Raising economic growth to about 6-7 percent annually over the coming decade.
- Increasing the region's share in foreign capital flows, including direct and indirect foreign investments. The region attracts low levels of inward FDI [foreign direct investment]; suffers from capital flight; and needs to allocate more productively the capital that stays behind.
- Expanding the region's share in booming international trade and extending exports beyond primary products to include high-value-added products.
- Increasing intra-regional trade and investment.
- Improving access to information by increasing capacity in translation, publishing and access to the internet.

Starting from the issues our partners in the region have identified, we are working together with the other G8 countries on a number of possible initiatives that will help regional reformers to achieve their goals. These proposals will offer a broad range of opportunities from which governments, civil society, and business can draw. This initiative is intended to enhance and support G8 countries' long-term engagement and dialogue with this region. We intend to proceed in the spirit of collaboration and mutual respect.

It is for that reason that Secretary Powell, Under Secretary Grossman, Assistant Secretary Burns and I -- as well as many others throughout our government -- have consulted extensively with the region's governments on this initiative. Secretary Powell, Assistant Secretary Burns, and I recently attended the World Economic Forum last month in Jordan, where we had excellent discussions with regional leaders on this topic. Secretary Snow hosted a meeting in April for Finance Ministers from the Broader Middle East and North Africa and G8 governments to discuss economic aspects of this initiative. These consultations have informed and guided our efforts to develop methods of supporting reform initiatives emerging from the region. Some of our partners from the region who have been involved in our preparations will attend the G8 Summit at Sea Island.

-- The President has invited King Abdullah II of Jordan, whose strong economic reform program is putting Jordan on the path toward economic growth and rapid development.

-- President Bouteflika of Algeria has also accepted the President's invitation and will add valuable experience based on his nation's experience working with the G8 in the New Partnership for Africa's Development (NEPAD) program.

-- King Hamad of Bahrain will attend, bringing with him Bahrain's experience as a leader in opening up trade in the region.

-- President Salih of Yemen will attend and discuss his country's experience in successfully running recent parliamentary elections.

-- President Karzai of Afghanistan will attend and can discuss how democracy can revitalize a society even after decades of repression. Afghanistan is planning for national elections for the first time in decades and has made great strides in literacy and economic reform.

-- In addition to these Middle Eastern countries, Turkey will attend the Sea Island summit. For centuries a bridge between eastern and western cultures, Turkey has a long record of strong democratic institutions, political and economic reform, and religious tolerance. As Turkey advances toward full membership in the European family, its unique history affords potential examples of successful reform for the nations of the Greater Middle East region. We are pleased that Prime Minister Erdogan has accepted the President's invitation to attend the Sea Island Summit.

There clearly are opportunities for the G8 to assist the reform effort; both through the collective action of all G8 countries and also through enhanced cooperation in areas of bilateral assistance already underway. For example, countries of the broader Middle East and North Africa would welcome opportunities through which they can exchange ideas, examine and share best practices, and build intra-regional cooperation and consensus on reform. We are looking at ways to work together with the countries of the region to establish a forum for such discussions.

Reformers in the region have also noted the need for more micro credit programs and increased investment in small and medium-sized enterprises (SMEs). This will help cut unemployment, improve access to trade financing for small exporters and increase opportunities for women to pull themselves and their families out of poverty. We are seeking ways to improve access to microfinance and to help local governments improve the policy and regulatory atmosphere and exchange best practices.

Meeting basic educational needs is vital for development and economic growth. The region has made training and development of human resources -- particularly with regard to teacher training, as well as vocational and technical training -- a priority. We will look for opportunities to provide tools to work with the region to achieve these important goals.

Expanding trade needs to be a focus of our efforts as well. Regional economic integration and increased trade between the countries of the region and the rest of the world will provide more opportunity for business and investment. We are pursuing trade links with the region and encouraging regional governments

to work toward membership in the World Trade Organization, where they have not already done so. We could consider regional trade hubs and support for local chambers of commerce.

We are acutely aware of the magnitude and complexity of the reform challenge in the broader Middle East. Reformers in the region have made it clear in Tunis, Alexandria and Sanaa they are committed to moving forward on all fronts, including governance, not just those reforms that are easiest. We should not shy away from the challenge, but support them in that great effort to transform this critical region.

I am pleased to say that our initial ideas and plans for the our initiative in the greater Middle East region met with considerable acceptance and, as you will see at Sea Island, are the basis for consensus action. I think this is because those plans reflect the view and the declarations of people in the region, to which we responded.

In closing, Mr. Chairman, I want to emphasize once again that the impetus for reform must come from the region. We have no interest in forcing a set of proposals on the people of the broader Middle East, nor could we do so if we wished. We are leaving no stone unturned in pushing forward toward a successful political and economic reconstruction in Iraq and a solution to the Israeli-Palestinian conflict. Yet, as important as these tasks are, they should not dissuade us from giving equally urgent attention to the longer-term task of supporting economic, social and political reform in the broader Middle East. We are encouraged by the region's recent movements toward, and calls for, reform. We stand ready, with our G8 partners, to help the people of this region build a future that provides more hope, opportunity and freedom.

KEY DOCUMENTS

- Chairmen's Summary: Preparatory Meetings for Forum of the Future
- Stability in Middle East Requires Sustained Support from U.S., EU
- World Leaders Press for Reform in Middle East, North Africa

Chairmen's Summary: Preparatory Meetings for Forum of the Future

September 24, 2004

1. Today, two great communities, the nations of the Broader Middle East and North Africa, and the industrialized democracies of the G-8 with other democratic partners, met in New York and took a determined step in building a historic partnership to advance political, economic, and social reform and progress in the region of the Broader Middle East and North Africa. The Foreign Ministers and Representatives of 24 governments today committed themselves to continue their dialogue and collaboration at the first meeting of the Forum for the Future in Morocco later this year.
2. The Forum for the Future will root these shared reform efforts in an open and enduring dialogue that responds to the needs of the region while respecting the unique character of each country. Ministers also reaffirmed that successful reform depends on the initiatives of the region. Through the Forum for the Future, foreign, economic, and other ministers will meet regularly to discuss and promote democratic, economic, and educational reforms throughout the Broader Middle East and North Africa. Today's meeting served as a valuable opportunity for countries to engage in a dialogue to develop the agenda for future actions, including the first Forum meeting.
3. Ministers expressed their support for the growing momentum for reform in the Broader Middle East and North Africa, as reflected in the statement issued at the Arab League Summit in Tunis, and also in recent reform declarations of business and civil society representatives, including those of Sanaa, Aqaba, Istanbul, Alexandria, and Beirut. They also recalled and reaffirmed the commitments made by the G-8 countries at Sea Island which build on the G-8 countries' already strong bilateral and collective engagement with the region and which are intended to expand and evolve over time.
4. United in their commitment to increase opportunities for every young person, every woman, and every man, the Ministers agreed to collaborate in their efforts and engage also in productive interactions with the business sector -- where vitally important new jobs are created -- and civil society, the open laboratory of ideas. Consistent with the spirit of the Arab League's Tunis declaration of May 23, 2004, which endorsed "the broadening of participation in political and public life and the reinforcement of the role of all components of civil society including the non-governmental organizations," Ministers heard from representatives of civil society and business from the Broader Middle East and North Africa and G-8 countries. Business and civil society leaders will be the governments' partners in the Forum for the Future discussions.
5. Ministers confirmed their commitment to expand democratic institutions and practices and to undertake joint activities that will support reform efforts within the region. Yemen reported on behalf of Turkey and Italy on the three countries' leadership in organizing the Democracy Assistance Dialogue announced at Sea Island, an initiative to share experiences and best practices across the region. Ministers welcomed the announcement that the first meeting of the Dialogue would take place in Rome in November.

6. Ministers reaffirmed that their support for reform in the region will go hand in hand with their support for a just, comprehensive, and lasting settlement to the Arab-Israeli conflict, based upon U.N. Security Council Resolutions 242 and 338. They reiterated their commitment to the full implementation of the Roadmap and to the goal of two states, Israel and a sovereign, independent, viable, democratic, and territorially contiguous Palestine, living side by side in peace and security, achieved through direct negotiations between the two sides.

7. Ministers noted that Finance Ministers were invited to convene on October 1, in Washington, to discuss the future economic work of the Forum. That meeting will also provide an opportunity to explore in greater detail market-oriented economic reforms, to encourage donors to contribute to the new IFC Facility with the goal of raising \$100 million to support private sector development in the region, and to consider developing further communication and cooperation among development institutions in the region through a network of funds.

8. Government representatives discussed shared goals and challenges in the area of education. All participants agreed that ensuring access to education at all levels, especially for girls and women, is an important priority for the entire region. Similarly, participants unanimously endorsed efforts to create new opportunities for young people through training, including vocational training, and welcomed the region's leadership in developing the two regional centers for entrepreneurial excellence announced at Sea Island. Participants also reaffirmed their commitment to market-based economic reforms and their support for efforts to promote intra-regional trade and expand trade opportunities in global markets. They welcomed the establishment by the Consultative Group to Assist the Poor of the microfinance consultative group and the region's interest in and ideas on microfinance pilot programs. Participants expressed continued support for the investment task force being developed by business representatives from the region in consultation with the Organization for Economic Cooperation and Development. Participants also agreed to encourage international development institutions to support the region's reform efforts.

9. Ministers agreed on the value of consultation, partnership, and joint action in all these areas to support the region's reform goals. The Forum for the Future will be the foundation for this partnership, a "dynamic process based on mutual respect," and will establish itself as a collaborative vehicle for expanding and deepening engagement in support of the reform efforts led by the governments and peoples of the region.

10. Accordingly, Ministers, with the participation of business and civil society, agreed to establish the Forum for the Future. They found it fitting to do so here in New York, during the annual assembly of the United Nations, where the global community of nations is meeting. Ministers are delighted to announce to colleagues gathered here from around the world that the Government of Morocco has been selected to prepare and host the first Forum for the Future later this year. Ministers also welcomed the offer by Egypt to host a meeting of the Foreign Ministers of G-8 member states and members of the

League of Arab States in January 2005. Ministers and their governments thank and congratulate the Government of Morocco, and pledge to do their utmost to participate and support Morocco in the planning activities and to ensure the long-term success of the Forum.

Secretary Powell and Moroccan Foreign Minister Benaissa

Stability in Middle East Requires Sustained Support from U.S., EU

Summit declaration supports peace, progress, reform in broader Middle East

The conviction that any hope for stability in the Middle East lies squarely with the people living there was expressed in a declaration issued jointly by the United States and the European Union (EU) in Shannon, Ireland, June 26.

Stating that "increased economic and political freedom can advance and change lives" in the Middle East, the declaration called upon Middle Eastern countries to embrace reform and pledged U.S.-EU support for those efforts.

While acknowledging "this task will require the sustained and increased support of the European Union and the United States," the declaration nonetheless emphasized that reform initiatives must come from within and that each society within this richly diverse region must determine its own pace of change based on its unique heritage and traditions.

Countries who express a determination for social, economic and political reform and work to advance human rights can be assured of U.S.-EU support "in friendship, respect, and the spirit of partnership," according to the declaration.

The declaration specifically affirmed both parties' commitment to "a just, comprehensive, and lasting settlement of the Israeli-Palestinian conflict," based on President Bush's road map for peace and a two-state vision.

The declaration concluded by promising, "In all instances, we will seek to respond to the impetus for reform stemming from the individual countries concerned."

Following is the text of the declaration, as released by the White House:

THE WHITE HOUSE

Office of the Press Secretary
(Shannon, Ireland)
For Immediate Release
June 26, 2004

TEXT OF U.S.-EU DECLARATION SUPPORTING PEACE, PROGRESS, AND REFORM IN THE
BROADER MIDDLE EAST AND IN THE MEDITERRANEAN

Dromoland Castle
Shannon, Ireland

26 June 2004

1. The United States and the European Union pledge our support to the governments and peoples of the countries concerned who have, in recent declarations and statements, expressed their determination to meet the challenges of modernisation; to advance political, social, and economic reforms; to build democracy; and to promote human rights. We believe that increased economic and political freedom can advance and change lives in the countries concerned. This task will require the sustained and increased support of the European Union and the United States. We offer this support in friendship, respect, and the spirit of partnership, recognizing that we share the objective of a prosperous, secure, and vibrant area. We welcome and support the initiative launched earlier this month at the G8 Summit in Sea Island, Georgia and the EU Strategic Partnership with the Mediterranean and the Middle East endorsed by the European Council on 18 June.

2. We welcome the reform initiatives and declarations calling for political, economic, and social progress that have stemmed from governments and civil societies in the countries concerned. Our engagement should draw on statements including the Arab League declaration of 23 May 2004, which expressed determination "to firmly establish the basis for democracy," and the declarations of Alexandria, the Dead Sea, Sana'a, and Aqaba. It should also take into account the significant analysis and recommendations provided in the Arab Human Development Reports of 2002 and 2003.

3. We remain convinced that engagement should be based on partnership and acknowledgement of the importance of local ownership. In order to be successful and lasting, reform must come from within the countries concerned and cannot be imposed from outside. With this in mind, we seek partnership with governments as well as with civil society and business communities who aspire towards reform and are ready to work with us on these shared objectives.

4. The peoples of these countries have rich traditions and cultures and have made many lasting contributions to human civilisation. Each country is unique and their diversity should be respected. Our engagement must respond to local conditions and be based on local ownership. Each society will reach its own conclusions about the pace and scope of change. Yet distinctiveness, important as it is, must not be exploited to prevent reform. The values they seek for themselves, and which we support, are universal: human dignity, freedom, democracy, the rule of law, economic opportunity, and social justice.

5. We reaffirm our commitment to a just, comprehensive, and lasting settlement of the Israeli-Palestinian conflict. Progress towards a negotiated peace settlement in the Middle East and towards reform will be mutually reinforcing. Neither should be a precondition nor a substitute for the other. We support the work of the Quartet on the Roadmap and endorse its declaration of 4 May 2004. We also welcome the League of Arab States' continued support for the Roadmap as expressed at the Summit meeting held in Tunis on 22/23 May and the League's rejection of acts of violence against civilians without distinction. We reiterate our common vision of two states, Israel and a viable, democratic, sovereign, and contiguous Palestine, living side by side in peace and security. We welcome and support the efforts of governments in the countries concerned to contribute to a settlement of this conflict, including the announced intention of Israeli withdrawal from all Gaza settlements and from parts of the West Bank which can be a step towards achieving the two-state solution and has the possibility of restarting progress on the Roadmap. We call for an end of all acts of violence and terrorism. We support all efforts, including those by Egypt, to resolve critical security issues relating to Gaza. In this context, any unilateral initiative should be undertaken in a manner consistent with the Roadmap and the two-state vision. At the same time, we welcome the

establishment of the World Bank Trust Fund and urge international support for this important initiative for Palestinian economic and social reconstruction.

6. We will build upon our respective policy frameworks and instruments. For the U.S., the Middle East Partnership Initiative is a key instrument, together with other bilateral instruments. For the EU, cooperation is based primarily on its Euro-Mediterranean Partnership, the EU-Gulf Cooperation Council Cooperation Agreement, the EU Neighbourhood Policy, and other bilateral or multilateral initiatives, including the EU Strategic Partnership for the Mediterranean and the Middle East, as recently adopted by the European Council. We welcome the G8 Plan of Support for Reform, including the establishment of the "Forum for the Future." In this context, we pledge to work with each other in concrete areas to support:

- Democratic development and the fullest possible participation by all citizens through programs to strengthen civil society and promote democratic norms and institutions, including by providing technical assistance and support to independent election commissions, voter registration programs, conduct of elections, civic awareness programs (including those with a particular emphasis on women voters and candidates), and through strengthening parliamentary exchanges and independent media.

- Efforts to significantly increase literacy skills, including through increased higher and basic education cooperation in areas such as increasing enrolment rates or improving quality, with a special focus on education for women and girls. These efforts will help the countries concerned meet their target of imparting literacy skills to an additional 20 million people by 2015, as set out in the Beirut Declaration on Education for All of January 2004.

- Economic integration, intra-regional trade, and expanded trade opportunities in global markets, through support, where appropriate, for accession to the WTO, including technical assistance, support for entrepreneurship and intraregional trade agreements, programs on trade facilitation, and support for development of local chambers of commerce. In this regard, we will take into account regional integration initiatives.

7. In order to follow up on these initiatives, we have agreed to find better ways to coordinate our respective efforts with each other and in partnership and dialogue with governments and representatives of civil society and business sectors in the countries concerned. In all instances, we will seek to respond to the impetus for reform stemming from the individual countries concerned. We will make full use of the existing structures of cooperation and dialogue between the EU and U.S., such as the Senior Level Group, to ensure that opportunities for cooperation and synergy between our respective programs are availed of to the full.

World Leaders Press for Reform in Middle East, North Africa

G8 outlines "Partnership for Progress and a Common Future"

Leaders of the Group of Eight (G8) industrialized countries have pledged their "genuine cooperation" with the governments and peoples of the broader Middle East and North Africa in their efforts to promote freedom and democratization in the region.

In a June 9 declaration issued during their summit in Sea Island, Georgia, the leaders of Britain, Canada, France, Germany, Italy, Japan, Russia and the United States said their support for reform throughout the Middle East and North Africa goes "hand-in-hand" with their support for a "just, comprehensive and lasting" settlement of the Israeli-Palestinian conflict.

The declaration expressed the G8 nations' backing for the Iraqi people and "the fully sovereign Iraqi Interim Government as they seek to rebuild their nation." They also pledged "support and assistance" for the electoral process in Iraq, leading to elections no later than January 31, 2005.

The statement says that political reforms require respect for human rights as well as respect for pluralism on the way to democracy and rule of law.

"Successful reform depends on the countries in the region, and change should not and cannot be imposed from outside," the G8 said. "Each country is unique and their diversity should be respected."

The G8 leaders stressed, however, that distinctiveness "must not be exploited to prevent reform."

As part of the new partnership, the G8 is creating a "Forum for the Future" to ensure an open and continuing dialogue, the leaders said. The forum will provide a framework at the ministerial level, bringing together G8 and regional foreign, economic, and other ministers in an ongoing discussion on reform, with business and civil society leaders participating in parallel dialogues, the leaders said.

The three-day summit is scheduled to conclude on June 10.

Following is the text of the G8 leaders' statement on their "Partnership for Progress and a Common Future with the Region of the Broader Middle East and North Africa":

THE WHITE HOUSE
Office of the Press Secretary
(Sea Island, Georgia)

June 9, 2004

Partnership for Progress and a Common Future with the Region of the
Broader Middle East and North Africa

Sea Island, Georgia
June 9, 2004

1. We the leaders of the G8 are mindful that peace, political, economic and social development, prosperity and stability in the countries of the Broader Middle East and North Africa represent a challenge which concerns us and the international community as a whole. Therefore, we declare our support for democratic, social and economic reform emanating from that region.

2. The peoples of the Broader Middle East and North Africa have a rich tradition and culture of accomplishment in government, trade, science, the arts, and more. They have made many lasting contributions to human civilization. We welcome recent statements on the need for reform from leaders in the region, especially the latest statement issued at the Arab League Summit in Tunis, in which Arab leaders expressed their determination "to firmly establish the basis for democracy." Likewise, we welcome the reform declarations of representatives of business and civil society, including those of Alexandria and the Dead Sea, Sana'a and Aqaba. As the leaders of the major industrialized democracies in the world, we recognize our special responsibility to support freedom and reform, and pledge our continuing efforts in this great task.

3. Therefore, we commit ourselves today to a Partnership for Progress and a Common Future with the governments and peoples of the Broader Middle East and North Africa. This partnership will be based on genuine cooperation with the region's governments, as well as business and civil society representatives to strengthen freedom, democracy, and prosperity for all.

4. The values embodied in the Partnership we propose are universal. Human dignity, freedom, democracy, rule of law, economic opportunity, and social justice are universal aspirations and are reflected in relevant international documents, such as the Universal Declaration on Human Rights.

5. In launching this Partnership, we adhere to the following principles:

5.1. Strengthening the commitment of the International Community to peace and stability in the region of Broader Middle East and North Africa is essential.

5.2. The resolution of long-lasting, often bitter, disputes, especially the Israeli-Palestinian conflict, is an important element of progress in the region.

5.3. At the same time, regional conflicts must not be an obstacle for reforms. Indeed, reforms may make a significant contribution toward resolving them.

5.4. The restoration of peace and stability in Iraq is critical to the well-being of millions of Iraqis and the security of the region.

5.5. Successful reform depends on the countries in the region, and change should not and cannot be imposed from outside.

5.6. Each country is unique and their diversity should be respected. Our engagement must respond to local conditions and be based on local ownership. Each society will reach its own conclusions about the pace and scope of change. Yet distinctiveness, important as it is, must not be exploited to prevent reform.

5.7. Our support for reform will involve governments, business leaders and civil societies from the region as full partners in our common effort.

5.8. Supporting reform in the region, for the benefit of all its citizens, is a long-term effort, and requires the G8 and the region to make a generational commitment

6. Our support for reform in the region will go hand in hand with our support for a just, comprehensive, and lasting settlement to the Arab-Israeli conflict, based upon U.N. Resolutions 242 and 338. We fully endorse the Quartet's Statement of May 4, 2004 and join the Quartet in its "common vision of two states, Israel and a viable, democratic, sovereign and contiguous Palestine, living side by side in peace and security." We support the work of the International Task Force on Palestinian Reform and the Ad Hoc Liaison Committee and urge all states to consider the assistance they may provide to their work. We welcome the establishment of the World Bank's Trust Fund and urge donors to contribute to this important initiative. We join in the Quartet's call for "both parties to take steps to fulfill their obligations under the roadmap as called for in U.N. Security Council Resolution 1515 and previous Quartet statements, and to meet the commitments they made at the Red Sea Summits in Aqaba and Sharm el Sheikh."

We reaffirm that a just, comprehensive, and lasting settlement to the Arab-Israeli conflict, including with respect to Syria and Lebanon, must comply with the relevant U.N. Security Council resolutions, including Resolution 425, which "Calls for strict respect for the territorial integrity, sovereignty and political independence of Lebanon within its internationally recognized boundaries."

7. We stand together united in our support for the Iraqi people and the fully sovereign Iraqi Interim Government as they seek to rebuild their nation. Iraq needs the strong support of the international community in order to realize its potential to be a free, democratic, and prosperous country, at peace with itself, its neighbors, and with the wider world. We welcome the unanimous approval of United Nations Security Council Resolution 1546 on Iraq, and we join in supporting the continued, expansive engagement of the United Nations in Iraq after the transfer of sovereignty, as circumstances permit. We pledge to provide support and assistance for the electoral process leading to national elections for the Transitional National Assembly no later than January 31, 2005. We are united in our desire to see the Multinational Force for Iraq, in accordance with the UNSCR 1546, succeed in its mission to help restore and maintain security, including protection of the United Nations presence, and to support humanitarian and reconstruction efforts. We express our shared commitment, and urge others, to support the economic revitalization of Iraq, focusing on priority projects identified by the Interim Government. We welcome the success of the recent International Reconstruction Fund Facility donors' conference in Doha, and commit to meeting before the next conference in Tokyo later this year to identify how each of us can contribute to the reconstruction of Iraq. Debt reduction is critical if the Iraqi people are to have the opportunity to build a free and prosperous nation. The reduction should be provided in connection with an IMF program, and sufficient to ensure sustainability taking into account the recent IMF analysis. We will work with each other, within the Paris Club, and with non-Paris Club creditors, to achieve that objective in 2004. To help reestablish the ties that link Iraq to the world, we will explore ways of reaching out directly to the Iraqi

people -- to individuals, schools, and cities -- as they emerge from decades of dictatorship and deprivation to launch the political, social, and economic rebirth of their nation.

8. The Partnership we launch today builds on years of support for reform efforts in the region through bilateral and multilateral cooperation programs. The Euro-Mediterranean Partnership ("Barcelona Process"), the U.S. Middle East Partnership Initiative, and the Japan-Arab Dialogue Initiative are examples of our strong commitment to supporting democratic and economic development. We are similarly committed to such progress in Afghanistan and Iraq through our multilateral reconstruction efforts. The Partnership we propose will build on our on-going engagement in the region.

9. The magnitude of the challenges facing the region requires a renewed commitment to reform and cooperation. Only by combining our efforts can we bring about lasting democratic progress. We welcome and support the work of other governments, institutions, and multilateral agencies that aim to assist the region's development.

10. Central to this new Partnership will be a "Forum for the Future," which will root our efforts in an open and enduring dialogue. The Forum will provide a framework at ministerial level, bringing together G8 and regional Foreign, Economic, and other Ministers in an ongoing discussion on reform, with business and civil society leaders participating in parallel dialogues. The Forum will serve as a vehicle for listening to the needs of the region, and ensuring that the efforts we make collectively respond to those concerns.

11. Our efforts in the Partnership we commit to today focus on three areas:

11.1. In the political sphere, progress toward democracy and the rule of law entails instituting effective guarantees in the areas of human rights and fundamental freedoms, which notably imply respect for diversity and pluralism. This will result in cooperation, the free exchange of ideas, and the peaceful resolution of differences. State reform, good governance, and modernization are also necessary ingredients for building democracy.

11.2. In the social and cultural sphere, education for all, freedom of expression, equality between men and women as well as access to global information technology are crucial to modernization and prosperity. A better-educated workforce is a key to active participation in a globalized world. We will focus our efforts to reduce illiteracy and increase access to education, especially for girls and women.

11.3. In the economic sphere, creating jobs is the number one priority of many countries in the region. To expand opportunity, and promote conditions in which the private sector can create jobs, we will work with governments and business leaders to promote entrepreneurship, expand trade and investment, increase access to capital, support financial reforms, secure property rights, promote transparency and fight corruption. Promotion of intra-regional trade will be a priority for economic development of the Broader Middle East and North Africa.

12. The Partnership for Progress and a Common Future offers an impulse to our relationship with the Broader Middle East and North Africa region. As an expression of our commitment, we issue today an initial Plan of Support for Reform outlining current and planned activities to give life to this Partnership.

FACT SHEETS

- Envoys from G8, Broader Mideast Discuss Reforms in New York
- NATO Offers Security Partnership with Broader Middle East
- G8 Broader Middle East and North Africa Initiative
- White House Broader Middle East and North Africa Initiative

Envoys from G8, Broader Mideast Discuss Reforms in New York

New York meeting follows up on G8 summit initiative at Sea Island

More than 20 representatives from the industrialized G8 countries and predominantly Muslim nations plan to meet in New York September 23-24 to discuss President Bush's reform proposals for the broader Middle East and North Africa.

The president launched his program, called the "Partnership for Progress and a Common Future with the Region of the Broader Middle East and North Africa," at the G8 summit in Sea Island, Georgia, in June.

Following is a fact sheet released by the State Department September 20 outlining the background and agenda for the New York meeting:

Fact Sheet

U.S. Department of State Bureaus of
Near Eastern Affairs, South Asian Affairs
European Affairs and Economic Affairs
September 17, 2004

Preparatory Meetings of the Forum for the Future

Meetings to be held in New York
September 23-24, 2004

More than 20 G-8 and BMENA Foreign Ministers and other representatives will meet in New York September 23-24 to attend preparatory meetings for the Forum for the Future. The Forum for the Future is the centerpiece of the "Partnership for Progress and a Common Future with the Region of the Broader Middle East and North Africa" launched by President Bush and the other G-8 leaders at their Sea Island Summit in June 2004. This meeting will be followed on October 1 by a meeting of G-8/BMENA Finance Ministers in Washington.

Governments, civil society, business leaders and citizens throughout the Broader Middle East and North Africa (BMENA) are voicing support for reforms. These calls are embodied in recent declarations such as the Tunis Declaration issued at the 17th session of the Arab League Summit on May 22-23, the "Platform for Democratic Governance in the Islamic World" issued by the Congress of Democrats from the Islamic World in Istanbul on April 14, 2004, the Alexandria Statement "Issues of Reform in the Arab World," and the statement of Arab business leaders made in Aqaba in December 2003.

Background: The G-8 countries responded to the calls for reform from the BMENA region at their Sea Island Summit in Georgia on June 9, 2004. In announcing the BMENA partnership and a Plan of Support for Reform, President Bush stated, "the G-8 nations and Turkey have united around a common agenda to use the energies and resources of our nations to support the momentum of freedom in the nations of the Middle East and North Africa ... This partnership will seek to advance the universal values of human dignity, freedom, democracy, the rule of law, economic opportunity and social justice." Leaders of seven

countries from the region (Afghanistan, Algeria, Bahrain, Iraq, Jordan, Turkey and Yemen) attended the Sea Island Summit and agreed to lead individual initiatives established in the Plan of Support.

The Forum for the Future will provide a collaborative vehicle at ministerial level for expanding G-8 engagement in support of the region's reform efforts, in particular toward the enhancement of democracy and civic participation, rule of law, human rights and open market economy. The discussions will be closely linked with parallel dialogues in which regional civil society and business representatives will regularly present to G-8 and regional governments opportunities to support indigenous democratic, economic, and educational reforms. The open exchange of ideas and wide representation of diverse views will ensure that efforts respond effectively to the concerns of people in the region.

Historic "Partnership for Progress and a Common Future with the Broader Middle East and North Africa"

The preparatory meeting will review progress on the various BMENA initiatives announced at Sea Island.

-- A Forum for the Future that brings together regional and G-8 foreign, economic and other ministers, as well as civil society and business leaders, for an on-going dialogue on reforms to promote democracy, rule of law, human rights, and open market economy reforms.

-- A microfinance initiative with the goal of assisting two million potential entrepreneurs -- especially women -- pull themselves out of poverty over five years through microfinance loans. The initiative, to which the World Bank will render assistance, is co-sponsored by Jordan and Yemen.

-- A literacy initiative, co-sponsored with Algeria and Afghanistan, to enhance support for the region's efforts to improve literacy skills to an additional 20 million people by 2015.

-- An entrepreneurship initiative co-sponsored by Bahrain and Morocco that supports business, entrepreneurship and vocational training and that provides 250,000 young people, especially women, employment opportunities through hands-on entrepreneurial training.

-- A Democracy Assistance Dialogue, led by Turkey, Yemen and Italy that brings together G-8 and regional governments, and civil society groups to share information and lessons learned on democracy programs in the region.

-- A new Private Enterprise Development Facility at the International Finance Corporation (IFC) to improve the region's business and investment climate and increase the financing options for the region's small and medium-size enterprises (SMEs).

-- A regional "Network of Funds" that would bring together representatives from development institutions based in the region and from international financial institutions to coordinate existing programs.

-- A Task Force on Investment, comprised of private sector business representatives, from the G-8 and the region, would assist and advise the region on reform measures to improve the investment climate, including those under the OECD Investment Initiative. In this way, the region can better prioritize reforms in areas that are truly impediments to business and help support economic diversification and job growth.

G8 Broader Middle East and North Africa Initiative

Plan offers assistance in democracy, business, education, other areas

Leaders of the Group of Eight (G8) countries meeting in Sea Island, Georgia, established a "Partnership for Progress and a Common Future" with countries of the broader Middle East and North Africa to support efforts to advance freedom, democracy, and prosperity in the region.

According to a White House fact sheet released June 9, the initiative establishes a "Forum for the Future" through which G8 and regional leaders, including representatives from business and civil society, will meet to discuss reform. The first meeting is scheduled for fall 2004.

The Broader Middle East and North Africa Initiative also adopts a "Plan of Support" that offers assistance to those regions through initiatives designed to promote democratic institutions, provide microfinance loans to businesses, training teachers to combat illiteracy, train women entrepreneurs, and invest \$100 million to finance small and medium-sized enterprises.

At their meetings in Georgia, the G8 leaders met with the leaders of Afghanistan, Algeria, Bahrain, Jordan, Tunisia, Turkey, Yemen, and the new President of Iraq to discuss the initiative and the challenges facing the region.

Following is the text of the White House fact sheet:

THE WHITE HOUSE
Office of the Press Secretary
(Sea Island, Georgia)

June 9, 2004

FACT SHEET: Broader Middle East and North Africa Initiative

"...[T]he United States has adopted a new policy, a forward strategy of freedom in the Middle East. This strategy requires the same persistence and energy and idealism we have shown before. And it will yield the same results. As in Europe, as in Asia, as in every region of the world, the advance of freedom leads to peace." -- President George W. Bush, November 6, 2003, Washington, D.C.

Presidential Action

Today, President Bush led the G8 in establishing a historic "Partnership for Progress and a Common Future" with the Broader Middle East and North Africa to support efforts to advance freedom, democracy, and prosperity in the region. The G8 Leaders met with Leaders of Afghanistan, Algeria, Bahrain, Jordan, Turkey, Yemen, and the new President of Iraq to discuss the challenges facing the region.

Calls for Reform: In November 2003, President Bush announced a "forward strategy of freedom" to advance freedom and democracy in the greater Middle East. Since then, the world has witnessed a

gathering momentum for reform in the region: business and civil society leaders issued reform declarations at Aqaba, Sanaa, and Alexandria, where they declared that "reform is necessary and urgently needed." At the May 22-23 Arab League Summit, Arab leaders declared their determination to "firmly establish the basis for democracy."

"Partnership for Progress and a Common Future": President Bush led the G8 Leaders today in launching the historic "Partnership for Progress and a Common Future" to support political, economic, and social reform in the Broader Middle East and North Africa. To that end, the G8 agreed to:

-- Establish a "Forum for the Future," which will bring together in one forum G8 and regional foreign, economic, and other ministers for regular discussions on reform, with business and civil society leaders participating in parallel dialogues. The inaugural meeting of the Forum will be held in the fall of 2004.

-- Adopt a "Plan of Support" that will offer assistance through new initiatives:

- Democracy Assistance Dialogue, which will bring together democracy foundations, civil society groups, and governments from the G8, the region, and other countries, to promote and strengthen democratic institutions, coordinate and share information on democracy programs, initiate new democracy programs, and sponsor exchanges. Turkey, Yemen, and Italy will co-sponsor the Democracy Assistance Dialogue and co-host the first meeting in 2004.

- Microfinance Initiative to help over two million entrepreneurs escape poverty through microfinance loans over the next 5 years. Jordan will host a Microfinance Best Practices Training Center and Yemen will host the first microfinance pilot project.

- Literacy Initiative to assist the region's efforts to halve the illiteracy rate over the next decade, including by training a corps of 100,000 teachers by 2009. Afghanistan and Algeria will co-sponsor this initiative.

- Business and Entrepreneurship Training initiative to help as many as 250,000 young entrepreneurs, especially women, expand their employment opportunities. Bahrain and Morocco will co-sponsor this initiative.

- Private Enterprise Development Facility at the International Finance Corporation (IFC) to invest \$100 million to finance small and medium-sized enterprises;

- Network of Funds to coordinate the work of development institutions and international financial institutions working in the region; and

- Task Force on Investment to assist the region's efforts to improve the business climate.

The Plan of Support also commits the G8 to work in partnership with the region's governments, business leaders, and civil society to "intensify and expand" existing programs, focusing on: promoting democracy; improving education; and creating jobs and economic growth.

White House Broader Middle East and North Africa Initiative

White House Fact Sheet, November 6, 2003

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